

**IMPACT OF MICROFINANCE BANKS ACTIVITIES ON POVERTY
ALLEVIATION IN NIGERIA: 1993 – 2012**

BY

**OKAFOR, Ikechukwu Gregory
PG/ Ph.D./08/53154**

**BEING A THESIS PRESENTED TO THE DEPARTMENT OF BANKING AND
FINANCE, FACULTY OF BUSINESS ADMINISTRATION, UNIVERSITY OF
NIGERIA, ENUGU CAMPUS, ENUGU, IN PARTIAL FULFILMENT OF THE
REQUIREMENT FOR THE AWARD OF DOCTOR OF PHILOSOPHY (Ph.D) IN
BANKING AND FINANCE.**

**SUPERVISORS: PROFESSOR C. U. UCHE
PROFESSOR J. U. J. ONWUMERE**

DECEMBER, 2014.

APPROVAL

This thesis has been approved by the Department of Banking and Finance, Faculty of Business Administration, University of Nigeria, Enugu campus, Enugu by

.....

Professor U. C. Uche
(Supervisor)

.....

Professor J.U.J Onwumere
(Supervisor)

.....

Dr. E. C. Nwude
(Head of Department)

.....

Professor J. O. Nnabuko
(Dean)

DECLARATION

I, Okafor Ikechukwu Gregory, a postgraduate student in the Department of Banking and Finance, University of Nigeria, Enugu Campus, Enugu, with registration number PG/Ph.D/08/53154, have satisfactorily completed the requirements for research work for the award of Doctor of Philosophy in Finance.

This thesis is original and has not, to the best of my knowledge, been submitted in part or in full for any other diploma or degree in this or any other University.

Okafor, Ikechukwu Gregory
(Student)

DEDICATION

To the memory of my maternal grandmother, Lolo Mary Taa Madubike and her son (my uncle) Chief Peter Ikemefuna Obijiofor Madubike.

ACKNOWLEDGEMENTS

“Gratitude is the memory of the heart” (Nwosuh, 2012, p xi). For Saint Augustine, “Gratitude is the least of all virtues but ingratitude is the worst of all vices” (Ezenwa & Aladi, 2004, p xi).

That this project was actualized was due to the assistance and encouragement of a number of people to who I owe gratitude.

The first group was my supervisors, Professor C. U. Uche and Professor J.U.J Onwumere. Professor Onwumere was always there for me and sincerely contributed immensely to the completion of this thesis. I thank you. I also thank Dr. E. C. Nwude, the Head of the Department.

My gratitude also goes to Professor F. O. Okafor and Dr. Mrs. N. J. Modebe for thier guidance. Dr. Mrs. A. I. Ogbo facilitated the completion of this thesis. I thank you. My colleagues in the Department of Banking and Finance, Caritas University, Enugu are appreciated. They include Dr. Samuel Takon, Mr. Martin Ezeamama, and Ebele Nsofor.

The wonderful support, encouragement and assistance from my family were unquantifiable. My only sibling, Mercy, my children: Ngozichukwuka, Ekenechukwu, Onyinyechukwu, Chinedum and Chukwunonso, I honestly and sincerely thank you all.

Mr. Walter Obiegbu, my dependable ex-secretary, thank you for the manifestation of your skill on the type-setting of this thesis. Dr. Edward O. Eleje, for the analysis of the data and invariable assistance, I thank you. My thanks also go to Dr. Austin Ujunwa for his assitance. Mr. Clement Anoliefoh, Managing Director, Bethel Microfinance Bank, Enugu, I appreciate you. The Librarians of the Central Bank of Nigeria (CBN) and the National Bureau of Statistics (NBS) all of Enugu branches, I acknowledge your assistance.

Above all, my everlasting thanks and gratitude go to the Almighty God for seeing me through this programme. To You be the Glory.

Okafor, Ikechukwu Gregory.

ABSTRACT

The fight against extreme poverty has been at the front burner of global discourse for a very long time. Poverty is deemed as a state of deprivation but more specifically, where an individual or group has insufficient income for securing basic goods and services. Microfinance has been globally acknowledged as a vehicle that drives the poor out of extreme poverty zone. This study set out to examine the impact of microfinance banks activities on poverty alleviation in Nigeria. Annualized time series data for 20 years, covering the period 1993-2012, were collated from the Central Bank of Nigeria (CBN), National Bureau of Statistics (NBS) and National Population Commission (NPC). Five hypotheses were tested with multiple linear regression technique. Poverty Index (PI), Employment Ratio (ER), and Standard of Living (RGDP-TP) were the dependent variables while microfinance banks' activities and investments were adopted as the independent variables. Also, liquid liability (M2), interest rate and Federal Government capital expenditure were the controlled variables. The result was a mixed grill. For hypothesis one, microfinance banks' activities do not have a significant positive impact on poverty alleviation in Nigeria, in hypothesis two, microfinance banks' activities have a significant positive impact on employment generation in Nigeria and for hypothesis three, microfinance banks' activities do not have a significant positive impact on standard of living in Nigeria. For hypothesis four, microfinance banks' investments have a significant positive impact on poverty alleviation in Nigeria and in hypothesis five, microfinance banks' activities do not have a significant positive impact on the Gross Domestic Product (GDP) in Nigeria. This suggests that the operation of microfinance banks' activities in Nigeria needs a review. It is fairly flawed. This should bring the relevant authorities back to the drawing board. Recommendations were offered. Further study on this subject is highly encouraged.

TABLE OF CONTENTS

	PAGE
Title	i
Approval	ii
Declaration	iii
Dedication	iv
Acknowledgements	v
Abstract	vi
Table of Contents	vii
List of Tables	xi
List of Figures	xii

CHAPTER ONE: INTRODUCTION

1.1	Background to the Study	1
1.2	Statement of the Problem	5
1.3	Objectives of the Study	8
1.4	Research Questions	8
1.5	Research Hypotheses	8
1.6	Scope of the Study	9
1.7	Significance of the Study	9
1.8	Operational Definition of Terms	10
	References	13

CHAPTER TWO: REVIEW OF RELATED LITERATURE

2.1	Introduction – Conceptual Framework	18
2.2	Theoretical Review	18
2.2.1	Origin of Microcredit and Microfinance	18
2.2.2	Definitions of Microcredit and Microfinance	23
	2.2.2.1 Microcredit	23
	2.2.2.2 Microfinance	25
2.2.3	Functional and Conceptual Differences Between	28

Microcredit and Microfinance

2.2.4	Does Microfinance Really Alleviate Poverty?	34
2.2.5	Special Features of Microfinance	38
2.2.6	Characteristics of Microfinance	42
2.2.7	Principles of Microfinance	46
2.2.8	The Concept and Definitions of Poverty	48
2.2.9	Women Poverty and Microfinance	53
2.2.10	Reasons for Women Disproportionate Representation in Microfinance Clientele	56
2.2.11	Microfinance and Women Empowerment	56
2.2.12	Does Microfinance Actually Empower Women?	59
2.2.13	Muhammad Yunus and Grameen Bank	62
2.2.14	Is Grameen Bank Model Replicable?	65
2.2.15	Previous Pro-Poor Initiatives In Nigeria	67
2.3	Empirical Review	70
2.3.1	Introduction	70
2.3.2	Microfinance in Some Climes	72
	2.3.2.1 Bangladesh	72
	2.3.2.2 India	75
	2.3.2.3 Sierra Leone	77
	2.3.2.4 Uganda	79
	2.3.2.5 South Africa	82
	2.3.3.6 Nigeria	85
2.3.3	Further Empirical Review	89
2.4	Review Summary	99
	References	103

CHAPTER THREE: RESEARCH METHODOLOGY

3.1	Introduction.	121
3.2	Research Design.	121
3.3	Nature and sources of Data.	121
3.4	Specification of Models.	122
3.4.1	Hypothesis One Model	122

3.4.2	Hypothesis Two Model.	122
3.4.3	Hypothesis Three Model.	123
3.4.4	Hypothesis Four Model.	123
3.4.5	Hypothesis Five Model.	123
3.5	Models Justifications.	124
3.6	Techniques of Data Analysis.	124
3.7	Explanation of Research Variables.	125
3.7.1	Dependent Variables.	125
3.7.1.1	Poverty Index (PI).	125
3.7.1.2	Employment Rate (ER).	125
3.7.1.3	Standard of Living (RGDP-TP).	126
3.7.1.4	Gross Domestic Product (GDP).	126
3.7.2	Independent Variables.	126
3.7.2.1	Microfinance Banks Activities (RTD-TC)	126
3.7.2.2	Microfinance Banks Investments (MFBI)	127
3.7.3	Controlled Variables.	127
3.7.3.1	M2 (RLL-GDP).	127
3.7.3.2	Interest Rate (IR).	127
3.7.3.3	Federal Government Capital Expenditure (RGE-GDP).	128
	References	129

CHAPTER FOUR: DATA PRESENTATION AND ANALYSIS

4.1	Data Presentation and Interpretation.	130
4.2	Data Analysis.	138
4.2.1	Descriptive Data Analysis.	138
4.3	Test of Research Hypothesis.	141
4.3.1	Hypothesis One.	141
4.3.2	Hypothesis Two.	143
4.3.3	Hypothesis Three.	146
4.3.4	Hypothesis Four.	148
4.3.5	Hypothesis Five.	150
4.4	Implications of Results.	152
4.5	Implications of other Related Results.	154

CHAPTER FIVE: SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS

5.1	Summary of Research Findings.	156
5.2	Conclusion.	157
5.3	Contribution to knowledge.	159
5.4	Recommendations.	159
5.5	Suggestions for further study	161
	 Bibliography	 162
	Appendix A: Regulatory and Supervisory Framework for Microfinance Banks [MFBS] in Nigeria.	186
	 Appendix B: List of Microfinance Banks in Nigeria	 214

List of Tables

2.1	Outreach by Asian Countries (in terms of persons)	77
2.2	Microfinance Penetration by 2009	91
4.1	Annualised Values of the Main Research Variables 1993-2012	131
4.2	Annualised Values of the Controlled Research Variables 1993-2012	135
4.3	Annualised Values of the Transformed Research Variables 1993-2012	137
4.4	Descriptive Statistics of Employed Research Variables	139
4.5	Regression Results for Hypothesis One	142
4.6	Regression Results for Hypothesis Two	144
4.7	Regression Results for Hypothesis Three	146
4.8	Regression Results for Hypothesis Four	148
4.9	Regression Results for Hypothesis Five.	151

List of Figures

4.1	Graphical Presentation of the Main Research Variables 1993-2012.	133
4.2	Graphical Presentation of the Controlled Research Variables 1993-2012.	136
4.3	Graphical Presentation of the Transformed Research Variables 1993-2012.	138

CHAPTER ONE

INTRODUCTION

1.1 Background to the Study

Global poverty has been one of the most burning and unresolved issues in the human history. According to the World Bank Statistics (2005), there is almost 3 billion of world population living under US\$2.5 per day. Within the group, around 1 billion live under \$1 per day. Government and International Organisations have been cooperating to fight poverty in different parts of the world. Poverty can be absolute or relative. Absolute poverty can be reduced but can hardly be eradicated. In recent years, microfinance has been recognized as an effective tool to alleviate poverty (Rubana, 2008; Daley-Harris, 2002; Lalitha, 2008). Microfinance offers the poor the chance to access financial service such as credit and savings. Microfinance programs in countries like Bangladesh, Bolivia and Peru have yielded positive impacts on the poor. Such programmes have helped the afflicted poor, first, to smoothen their daily expenditure, stabilize their income flows and in the process enhance their overall welfare (Rubana, 2008; Khandar, 2003; Khandar & Pitt, 2002; Daley-Harris, 2002; Hiatt & Woodworth, 2006).

Though, the poor live under very miserable conditions they are generally economically active. They lack basic necessities of life: food, shelter, education and primary healthcare. They earn their livelihood by being self-employed as micro-entrepreneurs or by working in micro-enterprises (Egwuatu, 2008). Microfinance aims to bring financial services to poor people by providing access to small-scaled financial services, primary savings, credit and insurance to people involved in small or micro business activities such as farming, fishing, herding or micro-enterprises producing, recycling, repairing or selling goods (Lalitha, 2008).

Microfinance programmes are financially supported by governments and international organizations which mean that microfinance programmes depend on financial grants from donors and governments to great extent (Luong, 2010).

In recognition of the dehumanizing condition of the poor, the first of the seven United Nations Millennium Development Goals (MDGs) calls for the reduction of, by one-half ($\frac{1}{2}$) in the number of people living in extreme poverty and hunger by the year 2005, which was later shifted to 2015 (DFID, 2000).

Poverty has been defined variously. The Copenhagen Declaration on Social Development represents an initial concept in an attempt to reach a definition of poverty. That World Summit defined poverty as lack of access to social services, social exclusion from participation in decision making (Kankwenda, et. al., 2000).

Poverty, with respect to international definitions is either defined as the number of people living under one dollar per day or as people who can only take less than 2550 calories per day (adult) (Alam, 2005; Ziauddin, 1999; Gohar, 2000; & ADBP, 2005).

For more than 30 years microfinance has been portrayed as a key policy and programme intervention for poverty reduction and 'button-up' local economic and social development (Bateman, 2011).

Poverty assumes international discourse and challenge to the world body. Between February 2 and 4, 1997, a Micro- credit Summit was organized in Washington D.C. which was attended by over 2900 representing 1500 organizations from 137 countries. This Summit launched a nine-year campaign to reach 100 million of the world's poorest families, especially the women of those families with credit for self-employment and with other financial and business services by 2005. (This has been extended to 2015.)

In the above summit, Clinton said: she was thrilled to see such a turnout which was one of the most important gatherings that could be had anywhere in the world. She believes that their efforts will make the campaign one of the great new chapters in human history that will allow millions of people to free themselves and their families from the vicious cycle of poverty (Grameen Bank 1997).

In his opening speech at the same Summit, Yunus (1997:25-26), of the Grameen Bank, said that the Summit was not a fund raising event but one that will inspire the world by putting together all the good news they have created during the past years.

He adds that the Summit wanted to build and will build capacity to end poverty in the world. He was of the opinion that poverty does not belong to a civilized human society but to the museums. He therefore concluded that the Summit was about creating a process which will send poverty to the museum and just as it took only sixty-five years after a twelve-second flight of the Wright Brothers for a man to go to the moon, fifty-five years after the Summit, “we’ll also go to our moon” (Grameen Bank 1997).

Annan (1997), was not quiet in recognizing the level of poverty in the world and in offering solution to it. According to him, “the stark reality is that most poor people in the world still lack access to sustainable financial services, whether savings, credit or insurance. The great challenge before us is to address the constraints that exclude people from fully participation in the financial sector. Together we can and must build inclusive financial sectors that help people improve their lives” (Egwuatu 2008:9).

The World Bank devoted the “World Development Report 2000/2001: Attacking Poverty”, to the subject based on new evidences and a deeper understanding of the meaning and causes of poverty. The report argued that major reductions in world poverty are possible. It shows that economic development continues to be central to success in reducing poverty, but that poverty is also an outcome of economic, social and political processes that interact with and reinforce each other in ways that can ease or exacerbate the state of deprivation in which poor people live. Consequently, the report concluded that to conquer poverty requires actions at the local, national and global levels; to expand poor people’s opportunities, empower them and increase their security.

Poverty has been a serious cankerworm in Nigeria. The World Bank study of poverty reduction in Nigeria, not only profiled poverty but also established qualitatively the trend of poverty encroachment on the process of development from 1980-1996. The study showed that poverty level in Nigeria has been extremely high with about two-third of the population living below the poverty line in 1996. In absolute figures, the population in poverty continued to rise over the sixteen year period (i.e. 1980-1996). The estimated number rose from 18 million in 1980 to 35 million in 1985 to 39

million in 1992 and 67 million in 1996 and by the end of 1999, the estimated number of poor rose to 74.2 million (World Development Report 2000/2001).

Several efforts and programs have been made in the past by Nigerian government to cater for the poor most of which have proved ineffective. Nigeria is the seventh world largest exporter of crude oil, yet ranks 158 out of the 177 countries of the world in terms of quality of life (Yahaya, et. al., 2011). The Human Development Programme indicates that 70.8 per cent and 92.4 per cent of the Nigerian population live below US\$1 and US\$2 a day respectively (HDR 2007/2008).

Statistically, the formal financial sector such as commercial banks, provide services to about 35% of the economically active population, while the remaining 65 per cent who are mostly involved in micro, small and medium scale (MSMES) and who are generally regarded as the engine of growth for most world economies, remain unserved, and therefore excluded from access to financial services (CBN 2005).

The Central Bank of Nigeria (CBN) is worried that a large percentage of Nigerians are still excluded from financial services. It cited a study carried out on Enhancing Financial Innovation and Access (EFInA) in August 2010, which revealed that 39.2 million representing 46.3 percent of the adults in Nigeria were excluded from financial services. Out of the 53.7 percent that had access, only 36.3 percent derive their financial services from formal financial institutions, while 17.4 per cent exclusively patronized the informal sector. The result also revealed that Nigeria was lagging behind South Africa, Botswana, and Kenya with 26 percent, 33 percent and 32.7 percent in financial exclusion rate respectively (CBN 2011).

Past public efforts at redressing the inadequate supply of financial services to the poor in Nigeria included the government support to cooperatives which began with the promulgation of the Cooperative Societies Ordinance in 1936; the establishment of the Nigeria Agricultural and Cooperative Bank (NACB) in 1973, the setting up of the Agricultural Credit Guarantee Scheme Fund (ACGSF) in 1978; the rural banking programme (RBP); the supervised credit schemes (SCS) of various governments under which funds from the state governments were given as loans to the poor for small-scale enterprises; the Peoples' Bank in 1989; the licensing of Community

Banks in 1990s. Other initiatives included the CBN directives to commercial banks on lending to the poor, including lending a proportion of their rural deposits to the rural enterprises; various initiatives on the funding of small and medium scale enterprises (SMEs). Family Economic Advancement Programme (FEAP) and National Poverty Eradication Programme (NAPEP).

Earlier forms of Microfinance initiatives in Nigeria included: Self-help groups (SHGs), rotating savings and credit associations (ROSCAs) commonly known as esusu (Yorubas), etoto (Igbos), and adashi (Hausas) (CBN, 2000).

All these efforts were pepped up with the launching of the Microfinance Guidelines in 2005 of the CBN as revised on 29th April 2011. A number of pertinent questions obviously arise. Why did all these developments fail to achieve their purpose? Will the CBN Microfinance Regulatory Framework of 2011 suffer the fate of the predecessors? All these questions and more define the challenge of this study.

Empowerment of the poor becomes a major issue and using microfinance as a major strategy of poverty alleviation becomes imperative.

1.2 Statement of the Problem

Various initiatives have been put in place in Nigeria aimed at ameliorating poverty and unemployment. But most of these on the contrary, rather than alleviating poverty, seem to have exacerbated it. In 1978, the Operation Feed the Nation was inaugurated. This was to encourage the youth to take to farming. The Better Life for Rural Women Programme and the Family Economic Advancement Programme (FEAP) were gender sensitive programmes aimed at lifting poor women from the shackles of poverty. The Rural Banking Programme was aimed at extending banking services to the rural poor and mobilizing idle savings in the rural communities. Certain percentage of the bank advances was to be extended to the host rural communities. The Agricultural Credit Guarantee Scheme (ACGS) was also inaugurated. Other institutional arrangements included the establishment of the Nigerian and Co-operative Bank Limited (NACB), the National Directorate of Employment (NDE), the Nigerian Agricultural Insurance Corporation (NAIC), the Peoples Bank of Nigeria (PBN) and even the Community Banks (CBs).

According to Pham and Lensink (2008), microfinance has been identified as an important instrument for poverty alleviation in developing countries. Policy makers as well as academics pay a lot of attention to the role of microfinance in poverty alleviation. In many developing countries, microfinance programmes have been introduced. Well known examples are the Grameen Bank in Bangladesh, Banco Sol in Bolivia and Bank Rakyat in Indonesia. Between 1997 and December 2005, the number of people who received credit from microfinance institutions worldwide, rose from 13.5 million to 113.3 million (84 percent of them being women). The number of microfinance institutions increased from 618 to 3,133 during the same period (Daley-Haris, 2006).

The attention for microfinance and its role in reducing poverty was further increased when the UN declared the year 2005 to be the international year of Micro-credit, and when Mohammad Yunus, the founder of the Grameen Bank, received the Nobel Peace Prize in 2006. According to the Nobel Committee, microfinance can help people to break out of poverty (Pham and Lensink 2008). The proclamation of 2005 as the year of micro-credit by the UN has led to several world conferences which have referred to it as the 'frontrunner in poverty alleviation strategies' (Lard and Barres, 2007).

Many authors argue that micro-credit can help to substantially reduce poverty (Morduch, Hashemi and Littlefield, 2003, Dunford, 2006).

Some other commentators have however expressed doubt that micro-credit can contribute to a substantial reduction in poverty. While some argue that microfinance does not reach the poorest of the poor (Sunlly, 2004), others are of the opinion that the poorest are deliberately excluded from microfinance programmes (Simanowilz and Walter, 2002). Some others argue that microfinance programmes lead to high transaction costs since most microfinance schemes have regular group meetings (Aghion and Morduch, 2000; Murray and Lynch, 2003).

Microfinance banks are established to fill the gap created by the failure of the formal financial sector to improve the socio-economic condition of the poor in income

generation. Many researchers, development workers and institutions hailed the microfinance policy as a potential solution to alleviation of poverty in which standard of living is one of the indicators (Yunus, 2003).

There are still important gaps to be filled by microfinance institutions in Nigeria. The microfinance banks have not been able to address the gap in terms of credit delivery, savings and other financial services required by the small scale enterprises like barbing salons, hair dressing salons, block making outlets, sachet water making industries, etc. (Abiola and Salami, 2011).

The CBN (2005:7) claims that “many international investors have expressed interest in investing in the microfinance sector. Thus, the establishment of a microfinance framework for Nigeria would provide an opportunity for them to finance the economic activities of low income groups and the poor”. The microfinance policy would provide the needed window of opportunity and promote the development of appropriate (safe, less costly, convenient and easily accessible) savings products that would be attractive to rural clients and improve the savings level in the economy.

Will the new microfinance policy, regulatory and supervisory framework bring the needed Eldora do to the Nigerian economy or will it toe the path of the past initiatives? Are there loopholes inborn in the policy that does not favour its efficacy in providing the needed solution?

The need to prevent this framework from suffering the fate of the predecessors adds to the main challenge (lacuna) to be addressed by this study.

1.3 Objectives of the Study:

The specific objectives were:

- 1) To examine the impact of Microfinance banks' activities on poverty alleviation in Nigeria.
- 2) To investigate the impact of microfinance banks' activities on employment creation in Nigeria.

- 3) To establish the impact of microfinance banks' activities on the standard of living in Nigeria.
- 4) To evaluate the impact of microfinance banks' investments on poverty alleviation in Nigeria.
- 5) To establish the impact of microfinance banks' activities on Gross Domestic Product in Nigeria.

1.4 Research Questions:

1. To what extent have Microfinance banks' activities facilitated the alleviation of poverty in Nigeria?
2. To what extent do Microfinance banks' activities impact on employment creation in Nigeria?
3. To what extent do Microfinance banks' activities impact on the standard of living in Nigeria?
4. How far do Microfinance banks' investments impact on poverty alleviation in Nigeria?
5. To what extent do Microfinance banks' activities impact on the Gross Domestic Product (GDP) in Nigeria?

1.5 Research Hypothesis:

- a. Ho₁: Microfinance banks' activities do not have a significant positive impact on poverty alleviation in Nigeria.
- b. Ho₂: Microfinance banks' activities do not have a significant positive impact on employment generation in Nigeria.
- c. Ho₃: Microfinance banks' activities do not have a significant positive impact on standard of living in Nigeria.
- d. Ho₄: Microfinance banks' investments do not have a significant positive impact on poverty alleviation in Nigeria.
- e. Ho₅: Microfinance banks' activities do not have a significant positive impact on the Gross Domestic Product (GDP) in Nigeria.

1.6 Scope of the Study

Though the Microfinance gospel has gained deep root in the Asian countries, this study stressed more on Nigeria. The period of study covered 1993 – 2012. The

choice of 1993 as base year is because the Decree No. 46 of 1992 created Community Banks most of which transformed to Microfinance bank following the Microfinance Policy, Regulatory and Supervisory Framework for Nigeria, launched by the Central Bank of Nigeria (CBN) in December 2005. Microfinance providers are made up of informal and formal types. The informal providers have limited outreach due to paucity of loanable funds. They also lack statistical records. The formal groups are mainly the microfinance banks made up of the transformed community banks and scaled up NGOs microfinance institutions.

For analytical purposes, this study will concentrate on microfinance banks because of the availability of data.

1.7 Significance of the Study

This study will be relevant to the following:

- ❖ **The Government.** The study will assist the government in making policy that border on microfinancing. Effective and operational microfinance policy will contribute to the sustenance of the economy.
- ❖ **The Microfinance Institutions.** Microfinance has moved from the realm of charity to commercialization. The study will assist the MFIs market their services more efficiently, effectively and above all, sustainably.
- ❖ **Microfinance clients.** The study will show how the poor will be pulled up above the poverty line with life wire of microfinance credit and other financial services.
- ❖ **NGOs.** The NGOs will be encouraged to move out from donor funded organization to equity funded. To be a going-concern, they should be sustainable. This study will help them achieve this by identifying measures to scale up to microfinance banks.
- ❖ **Donors (both foreign and local).** The study will help donors to identify more effective ways of channeling their donations to the needy and avoid the hijack of their donations by the bureaucracy. The study will encourage them to provide ‘fish hooks’ rather than ‘fish’ to the poor.

- ❖ **CBN.** As financial regulator, the study will provide more insight into the problems of microfinance institutions. It will enable it offer structured and regular workshops for microfinance providers especially the microfinance banks. It will help the CBN beam its searchlight on the operations of these microfinance banks to avoid loss of depositors' funds.
- ❖ Future researchers on the subject matter will find a reservoir of literature bank from this study for further improvement and development of the subject matter.

1.8 Operational Definition of Terms

Micro-credit. This is the provision of small amount of loans to the poor that enable them to open or expand an existing income-generating activity, and thus supposedly begin their escape from poverty.

Micro-savings. Setting aside, periodically, small amount of money and depositing it with an institution for safe-keeping.

Micro-insurance. Contributing small amount of premium towards the cover of an insurable interest.

Microfinance. Usually conceived of as the provision of small units of financial services to low income clients who are usually excluded from formal financial system.

Poverty. This is a condition in which a person is deprived of or lacks the essentials for a minimum standard of well-being. A state of being without, often associated with need; hardship and lack of resources across a wide range of circumstances. Two types are identifiable, viz: absolute poverty and relative poverty. Absolute poverty are people earning one US dollar a day; while relative poverty are those whose resources are so limited as to exclude them from the minimum acceptable way of life in the member state in which they live.

Microfinance Banks Credit. Credit granted to micro, small and medium scale entrepreneurs. This is to enable them take off new enterprises or to expand the

existing ones. The aim is to enable them smoothen their expenditure and embark on a journey of escaping from poverty. The CBN annually provides the total of such credit.

Poverty Alleviation. Incidence and causes of poverty have been identified by the Nigerian Bureau of Statistics (NBS). The Bureau has proxied poverty level by poverty index which it publishes annually. Poverty alleviation is therefore the root that will reduce the incidence of poverty and therefore the poverty index. One such root is the granting of Microfinance banks credit to the poor.

Employment. Engagement of or creation of labour for a source of livelihood. It could be self engagement or offering of services to an enterprise in exchange of wages or salaries. When more people are in this bracket, the level of employment is said to be high and vice versa. The NBS yearly provides the percentage of unemployment with the reverse, as the percentage of employed.

Microfinance Bank Investment. The Regulatory and Supervisory Framework for Microfinance Banks in Nigeria requires all MFBs to maintain not less than 5% of their deposit liabilities in Treasury Bills (TBs). This is compulsory investment. The prudential requirements allow the MFBs to involve in fixed assets/long term investments.

Empowerment. Enhancement. Upliftment. Enablement to attain a higher status, usually social and economic. Empowerment corresponds to processes by which vulnerable individuals are endowed with power. It allows equality of development.

Formal financial sector. Mainly banks (commercial and microfinance).

Semi-formal financial sector. Non-Governmental Organisations (NGOs). Organisations that exist not for profit but to extend charity to the less privileged. They are normally supported by donors. Other forms of semi formal financial sector include:

Self-help groups (SHGs), rotating savings and credit associations (ROSCAs) commonly known as *esusu*, *etoto* and *adashi* in various Nigerian languages.

Self-Help Groups (SHGs). A group of people who have common denominator (e.g. religion, trade, locality) and who periodically contribute money. The money need not be equal. At the end of the agreed period, the total contributions by each individual, less agreed administrative charges is paid back to him/her.

Rotating Savings and Credit Associations (ROSCAs). Also a group of people with common denominator who contribute money periodically. Here, the contributions are equal per person. In rotation, the members take the entire amount contributed on each occasion. They will all do so until every member has his/her own turn.

Informal financial sectors. Made up of the money lenders. They are there to maximize profit such that they are looked upon as ‘sharks’.

References

- Abiola, I. & Salami, A.O. (2011). Impact of microfinance bank and standard of living of hairdresser in Ogbomoso North Local Government Area of Oyo State, Nigeria, *International Business Management* 5 (1), 27 – 32.
- Abu N.M. W. (1994). The Grameen Bank and poverty alleviation in Bangladesh: Theory, evidence and limitations, *The American Journal of Economics and Sociology*, 53, 64-85.
- Abu W. (1999). The Grameen Bank and women in Bangladesh, *Challenge*, 42(5), 94 – 101.
- Aghion, A. & Morduch J. (2002). Microfinance beyond group lending, *The Economics of Transition*, 8(2), 401-420.
- Akanji, O.O. (2001). Microfinance as a strategy for poverty reduction, *CBN Economic & Financial Review*, 39(4) 111-134.
- Alam, S.M. (2005), Poverty and its Alleviation. *Pakistan and Gulf Economist*, 24(13), 35-41.
- Aluko, M. A. O. (2003), Strategies for poverty reduction in Nigeria, *Journal of Social Sciences*, 7(4), 255-266.
- Central Bank of Nigeria (2000). The changing structure of the Nigerian Economy and implications for development. *Research Department*, CBN, Lagos, Realm Communications Limited.
- Central Bank of Nigeria (2011). Microfinance policy, regulatory and supervisory framework for Nigeria, *CBN Abuja*, Adgozo Limited April 29, 2011.

- Dalley-Harris, S. (2002). Pathways out of poverty. Innovations in microfinance for the poorest families, (Ed.) Kumarian Press, Inc. U.S.A.
- Dalley-Harris, S. (2003). The state of the Microcredit Summit Campaign 2003. Washington D.C: Microcredit Summit.
- Department for International Development. DFID (2000): Halving world poverty by 2015: Economic, equity and security strategies for achieving the international development targets. London Tairway Communications.
- Egwuatu, B.S.C (2008). Reducing poverty through better credit delivery: The Asian experience, *Bullion* 32(1), 8 – 16.
- iEhigiamusoe, G. (2008). The Role of microfinance Institutions In the economic development of Nigeria, *Bullion* 32(1) 17-25.
- Grameen Bank/Bank for the Poor (1997). www.grameen-info.org
- Gohar, B. (2000). Rethinking strategies for poverty alleviation in the South Asian context. (ICSW) *International Conference on Social Welfare*, Cape Town, South Africa.
- Gonzalez, A. (2010). Is microfinance growing too fast? *Washington D.C.*, Microfinance Information Exchange.
- Hiatt, S.R. & Woodworth, W.P. (2006). Alleviating poverty through microfinance: Village banking outcomes in Central America. *The Social Science Journal*, 43, 471-477.
- Human Development Report (2007/2008). Fighting climatic change: Human solidarity in a divided World . UNDP, New York.
- Kankwenda, M. Gregoire, L. Legro, H. & Ouedraogo, H. (2000). *Poverty eradication, Where stands Africa?*, London: Economica Ltd.

- Khander, S.R. (2003), Microfinance and poverty: evidence using panel data from Bangladesh. *Policy Research Working Paper*. World Bank, Washington D.C.
- Khander, S.R. & Pitt M. (2002), The Impact of group – based credit on poor households, *An analysis of panel data from Bangladesh*, World Bank, Washington D.C.
- Lalitha, N. (2008). *Readings in microfinance*. Dominant Publishers and Distributors, Delhi.
- Lard, H. & Barres, I. (2007). Maximising microfinance, *Georgetown Journal of International Affairs*, 8, 55-62.
- Luong, Q.V.E. (2010), Sustainable microfinance: The balance between financial sustainability and social responsibility, *Jonkoping International Business School*, Jonkoping University.
- Morduch, J., Hashemi, S. & Littlefield, E. (2003). Is microfinance an effective strategy to reach the Millennium Development Goals?” *CGAP Focus Note*, 24, Washington, D.C.
- Murray, I & Lynch, E. (2003), What do Microfinance Customers value? *Women’s World Banking*.
- Pharn, T.T.T & Lensink R. (2008), Is Microfinance an important instrument for poverty alleviation? *The Netherlands*, University of Groningen.
- Rozas, D. & Sinha, S. (2010), Avoiding a microfinance bubble in India: Is self- regulation the answer? *Microfinance Focus*, 10.

- Rubana, M. (2008), Microfinancing in Bangladesh: Impact on households, consumption and welfare. *Journal of policy modeling*, 30, 1083-1092.
- Simanowitz, A. & Walter, A. (2002), Ensuring impact: Reaching the poorest while building financial self-sufficient institutions and showing improvement in the lives of the poorest women and their families, in Daley-Harris (ed.), *Pathways out of poverty*, Connecticut, U.S.A., Kumarian Press.
- Sully, N.D. (2004), Microcredit no Panacea for Poor Women , Cited by the Development Gap Organisation ><http://www.developmentgap.org/micro.html>>
- United Nations Capital Development Fund (UNCDF, 2004).
www.uncdf.org/english/microfinance/yom.php
- United Nations Capital Development Fund (UNCDF, 2005).
www.uncdf.org/english/microfinance/pubs/newsletter/pages/2005.04/news.launch.php
- Virtual Library on Microcredit.
www.gdrc.org/icm/
- Wijewardena, W.A. (2007). Microfinance – a potent instrument of poverty alleviation. Valedictory address as Deputy Governor, Central Bank of Sri Lanka at the training program on ... Bank of India.
www.bis.org/review/r070515g.pef.
- World Development Report (2000/2001), *Attacking poverty: opportunity employment and security*. World Bank.
- Wrenn E. (2005). Microfinance Literature Review.
www.dochas.ie/share/files/2_microfinance-literature-review.pef

- Yahaya, K.A. Osemene, O.F. & Abdulraheem A. (2011),
Effectiveness of microfinance banks in alleviating poverty in Kwara State
Nigeria, *Global Journal of Management and Business Research*, II(4) VI SA
Global Journals Inc.
- Yunus, M. (2003), Banker to the poor:
Microlending and the battle against world poverty. *Public Affairs, New York.*
- Zianddin, M. (1999), Pakistan: Now the poverty bomb goes off.
Third World Network Features/Dawn www.dawn.com. (15/01/12).

CHAPTER TWO

REVIEW OF RELATED LITERATURE

2.1 Introduction – Conceptual Framework

The literature review contains two broad areas: theoretical review and empirical review. The theoretical review which contains some of the existing knowledge on microfinance and poverty alleviation is treated under the following sub-headings: origin of microcredit and microfinance; definitions of microcredit and microfinance; functional and conceptional differences between microcredit and microfinance; characteristics of microfinance; principles of microfinance and special features of microfinance and asks the question: does microfinance really alleviate poverty? It also contains: the concept and definitions of poverty; women poverty and microfinance; microfinance and women empowerment and again asks the question: does microfinance actually empower women? Microfinance activities in some climes in the world are reviewed. It closes with the previous pro-poor initiatives in Nigeria.

The empirical review opens up with arguments of various commentators as to whether or not microfinance is an effective weapon for poverty alleviation. It looks at the empirical results in such countries like Bangladesh, India and some other Asian countries. It considers both negative and positive results. Empirical results in Nigeria take the rear.

2.2 Theoretical Review

2.2.1 Origin of Microcredit and Microfinance

According to Ehigiamusoe (2008), the rise of microfinance practice was prompted by apparent failure of conventional development paradigms and approaches to achieve meaningful development which is poverty alleviation. Growth-led development perspective, which gained currency in 1950s and 1960s with its resurgence in the last decade, has always yielded fantastic statistics with discouraging impact on the lives of the people. While growth rates were rising, the number of persons in poverty was also on the increase. Microfinance therefore seeks to provide low-income people with capital for income generating activities.

Microcredit appears to be of old, though not sustained. According to Abiola and Salami (2011), Jonathan Swift first introduced micro-credit in the 18th century by establishing the Irish loan fund system which provided small loans to poor farmers that lacked collaterals. At its peak, it annually serviced all of Irish households. Subsequently, Friedrich Wilhelm Raiffeisen, developed the idea of a financial cooperative in Germany and cooperatives rapidly spread throughout Europe and then to the rest of the world in the mid 19th century. State owned development financial institutions also known as farmer's cooperatives, started appearing in the mid 1950s and channeled loans to customers with lower than market interest rates.

Yahaya et al. (2011) agree that microcredit is of old. They opine that in 1800s, credit union was developed by Friedrich Wilhelm Raiffeisen and his supporters to assist the rural population to break out of their dependence on money lenders and to improve their welfare. From 1870, the unions expanded rapidly over a large sector of the Rhine Province and other regions of the German States. The cooperative movement quickly spread to other countries in Europe and North America, and eventually supported by the cooperative movement in developed countries and donors. In Indonesia, the Indonesian Peoples' Credit Banks or the Bank Perkreditan Rakyat (BPR) opened in 1895. The BPR became the largest microfinance system in Indonesia with close to 9000 units.

In the early 1900s, various adaptations of these models began to appear in parts of rural Latin America. While the goal of such rural finance interventions was usually defined in terms of modernizing the agricultural sector, they usually had two specific objectives: increased commercialization in the rural sector by mobilizing "idle" savings and increasing investment through credit, and reducing feudal relations that were enforced through indebtedness. In most cases, these new banks for the poor were not owned by the poor themselves as they had been in Europe but by government agencies or private banks. Over the years, these institutions became inefficient and at times abusive.

Beaudry (no date) narrates the origin and evolution of microfinance as a fascinating and inspiring one. She tells how in the early 1970s a team of international aid workers involved with ACCION, an organization dedicated to addressing poverty,

wanted to better understand how the organization could most effectively support poor families and communities in Latin America. The team could see that a great deal of economic activities was taking place, and yet people were just scrapping by. Rob Scarlett, a member of the ACCION teams recalls that the question that was raised was “what it would take to increase the success of economic activity and the answer was access to capital. Banking was not available to the people and they were forced to accept the terms of the loan sharks which were outrageous. These terms also lead to social dysfunction – they were exploitative and lead to violence.

Acting on these ideas ACCION, decided to issue loans to a group of individuals in Recife, Brazil in 1973. Within four years, the organization had provided 885 loans, helping to create or stabilize 1386 new jobs. Coining the term “Microenterprise” ACCION had found a way to generate new wealth for the working poor of Latin America (Beaudry (no date).

Hulme and Moore (2006), belief that the precursors of microfinance – rural credit and small farmer credit - had a history of dramatic policy failure charted by the Ohio State School. At that time, it was widely acknowledged that attempts to provide poor people (at that time synonymous with small farmers) with small loans had been a disastrous policy. It failed to get credit to the poor people, did little to improve agricultural yields and had high rates of default so that viable rural finance institutions could not be established. Poor people were viewed as not being ‘bankable’. The high unit costs of transactions, the inability of the poor people to repay loans and the political manipulation of such initiatives meant that development policy should withdraw from this domain and leave all banking to the private, for-profit-sector.

However, Bondreaux and Cowen (2008) are of the opinion that the modern story of microcredit began 30 years ago when Yunus – then an economics professor at Chittagong University in Southeastern Bangladesh – set out to apply his theories to improving the lives of the poor in the nearby village of Jobra. He began in 1976 by lending US\$27 to a group of 42 villagers, who used the money to develop informal businesses, such as making soap or weaving baskets to sell at the local market.

Ehigiamusoe (2008) posits that microfinance is premised on the fact of economic relations, that the poor remain poor because they are deprived of access to life transforming opportunities such as affordable financial services. As a development strategy, microfinance believes in the ability of the poor to meaningfully improve their conditions of living, if they can access financial support on affordable terms.

While microfinance practice, especially community based savings or ‘contribution’ schemes is not new in most communities, modern microfinance or what has become known as ‘microfinance revolution’ on the other hand is a creation of deliberate efforts at addressing poverty. The current form of practice grew out of development support agencies and government desiring to improve productivity and conditions of living of farmers. This was the era when national development enterprise equated poverty with rural areas. It was reasoned that rural dwellers or farmers were poor because they lack access to funds. Banks’ unwillingness to support small farmers has always been there. Small loans were disbursed to farmers in farmers’ cooperative societies. The rates of repayment were for several reasons very poor. This is understandable. The intention and approaches of loan givers tilted more towards charity.

In Nigeria, Ehigiamusoe (2008), states that modern microfinance began as visionaries work initiated by non-profit institutions to address poverty. In Akure, Chief Bisi Ogunleye started a pro-women initiative – Country Women Association of Nigeria (COWAN) while late Venerable David Ogbonna ran the Nsukka United Self-Help Organisation (NUSHO) in the early 1980s. Lift Above Poverty Organisation (LAPO) became credit-plus programmes in late 1980s. It is important to note that early funding for these institutions was provided by the Ford Foundation.

Yahaya et al. (2011), postulate that the concept of microfinance is not new. They cited as in Archive (2006), savings and credit groups that have operated for centuries to include: “susus” of Ghana, “chitfunds” in India, “tandas” in Mexico, “arisan” in Indonesia, “Ayo” in Nigeria, “cheetu” in Sri Lanka, “toutines” in West Africa and “pasanaku” in Bolivia, as well as numerous savings clubs and burial societies found all over the world. Formal credit and savings institutions for the poor have also been around for decades, providing customers who were traditionally neglected by

commercial banks a way to obtain financial services through cooperatives and development finance institutions. Microfinance is about providing services to the poor who are not served by conventional formal financial institutions (e.g. commercial banks). It is about extending the frontiers of financial service provision. Over the years, several traditional microfinance institutions, such as self-help groups (SHGs) 'esusu', and rotating savings and credit associations (ROSCAs) have been set up to provide credit to both the rural and urban dwellers in various parts of Nigeria.

Dahiru and Zubair (2008) agree with Enugu Forum (2006) who state that originally, based on traditional forms of community financing (a cross between finance and development assistance) microfinance is found all over the world in places such as Africa, Latin America and Asia. The microfinance movement began in earnest in the early 1980s in places like Bangladesh and Bolivia and has over the last 20 years captured the interest of multilateral donor agencies and private sector bankers.

Robinson (2002) and Otero (1999) are of the opinion that microcredit and microfinance are relatively new terms in the field of development, first coming to prominence in the 1970s. Prior to then, from the 1950s through to the 1970s, the provision of financial services by donors or governments was mainly in the form of subsidized rural credit programmes. These often resulted in high loan defaults, high losses and inability to reach poor rural households (Robinson, 2002).

Mohammad Yunus (2004) shares the above historical view when he says that the word "microcredit" did not exist before the seventies. Now it has become a buzzword among development practitioners. In the process, the word has been imputed to mean everything to everybody. No one now gets shocked if somebody uses the term "microcredit" to mean agricultural credit, or rural credit, or cooperative credit, or consumer credit, credit from the savings and loan associations, or from credit unions or from money lenders when someone claims microcredit has a thousand year history, or a hundred year history, nobody finds it as an exciting piece of historical information (Muhammad Yunus, 2004).

Earlier micro credit schemes were unsuccessful because customers interpreted the loans as government handouts and disinclined to pay them back (Abiola and Salami

2011). A paradigm shift in micro credit service delivery and concept has given birth to microfinance revolution as a developmental initiative.

2.2.2 Definitions of Microcredit and Microfinance

2.2.2.1 Microcredit:

The various definitions of microcredit and microfinance will throw up the conceptional difference in meanings between them. Various meanings are attached to them depending on the targeted approach of the people defining. This leads Okafor (2000) in saying that despite the surfeit of literature on microcredit, a clear-cut conceptualization of the term does not seem to have emerged. One obvious conclusion from the available literature, however, is that the term (microcredit) is always used in reference to credit of limited size. The size limitation could apply to the amount of credit dispensed or to the size of operation of the credit recipient or to both.

To Grameen Bank of Bangladesh, microcredit symbolizes small loans extended to the poor for undertaking self-employment projects that could generate income and enable them to provide for themselves and their families (Chavan and Ramakumar 2002). The defining criteria used are the size of the loan and the targeted population comprising micro-entrepreneurs, particularly women from low income households. These loans are offered without any collateral. On the other hand, the Workshop on Microcredit held in Washington D.C. USA, in February 1997, defined microcredit globally as programmes designed to provide financing support and ancillary services to the very poor. The emphasis in this definition is on the target recipient of the financing support (Okafor, 2000). Some others that target recipients in their definitions include Bateman. To him, microcredit is the provision of small loans to the poor that enable them open or expand an income-generating activity and thus supposedly begin their escape from poverty (Bateman, 2011). Also, Armendariz de Aghion and Morduch (2005) see microcredit as a process of providing loans to the very poor with the purposes of poverty reduction and social change.

In all, the Microcredit Summit (2-4 February 1997) adopted the definition of microcredit as: Microcredit programmes extend small loans to very poor people for

self-employment projects that generate income, allowing them to care for themselves and their families (Grameen Bank 1997).

Microcredit is defined as the short, small scale loans to the poor and needy to establish small enterprises to grow out of poverty (Chatterjee, 2007, Nanavaty, 2000; and Leon, 1998).

Definitions of microcredit appear to differ from country to country. The general criteria used however, include: size – loans are micro or very small in size; target users – microentrepreneurs and low income households utilization; the use of funds – for income generation and enterprise development and also for community use (health/education); terms and conditions – most terms and conditions for microcredit loans are flexible and easy to understand and suited to the local conditions of the community. This appears to give microcredit various colouration depending on environment. For Muhammed Yunus (2011), no one gets shocked if somebody uses the term “microcredit” to mean agricultural credit, or rural credit, or cooperative credit, or consumer credit, credit from the savings and loans associations, or from credit unions or from money lenders. He agrees that this is creating a lot of misunderstanding and confusion in the discussion about microcredit. For a way out, he proposes putting labels to various types of microcredit so that one can clarify which microcredit they are talking about. He believes this is very important for arriving at clear conclusions, formulating right policies, designing appropriate institutions and methodologies. Instead of just saying “microcredit”, one should specify which category of microcredit. He then suggests a broad classification of microcredit:

- ❖ Traditional informal microcredit (such as money lenders’ credit, pawn shops, loans from friends and relatives, consumer credit in informal market, etc).
- ❖ Microcredit based on traditional informal groups (such as, tontin, susu, ROSCA, etc).

- ❖ Activity-based microcredit through conventional or specialized banks (such as agricultural credit, livestock credit, fisheries credit, handloom credit, etc.)
- ❖ Rural credit through specialized banks.
- ❖ Cooperative microcredit (cooperative credit, credit union, savings and associations, savings banks, etc).
- ❖ Consumer microcredit.
- ❖ Bank-NGO partnership based microcredit.
- ❖ Grameen type microcredit or Grameen credit.
- ❖ Other types of NGO microcredit.
- ❖ Other types of non-NGO non-collaterised.

(Grameen Bank 1997 and Elahi and Rahman, 2006).

2.2.2.2 Microfinance

Beaudry (no date) holds that over the last decade, a growing recognition of the importance of and need for additional financial services beyond loans (that is microcredit alone) has expanded the initial concept of microcredit to microfinance. According to her, the Consultative Group to Assist the Poor (CGAP) defines microfinance as an inclusive financial system whereby poor people everywhere enjoy permanent access to a wide range of quality financial services, delivered by different types of institutions through a variety of convenient mechanisms. Broadly speaking, the services offered through microfinance programmes, include loans, savings, money transfer services (remittances) and microinsurance.

Microfinance according to Otero (1999), is the provision of financial services to low income poor and very poor self-employed people. These financial services according

to Ledgerwood (1999) generally include savings and credit but can also include other financial services such as insurance and payment services. Schreiner and Colombet (2007) define microfinance as the attempt to improve access to small deposits and small loans for poor households neglected by banks. Therefore microfinance involves the provision of financial services such as savings, loans, and insurance to poor people living in both urban and rural settings who are unable to obtain such services from the formal financial sector (Wrenn, 2005).

Microfinance is a lift above microcredit. It provides mini-supermarket of microfinancial services for the poor. These include micro-credit, micro-savings, micro-leasing, micro-insurance, money transfers and micro-investment services. Micro-credit is thus, a sub-set of microfinance. Conroy (2003) defines microfinance as the provision of financial services to poor and low income households without access to formal financial institutions. It is also described as “banking for the poor”.

Again for Ledgerwood (1999), microfinance refers to the provision of financial services to low income client including self-employed. Everyone needs a diverse range of financial services to run their business, build asset, stabilize consumption and shield against risks. Financial services needed by the poor include working capital loans, consumer credit, savings, pension, insurance and money transfer services. Jamil (2008) opines that microfinance is the entire feasible structures and processes by which financial services are delivered to micro entrepreneurs as well as poor and low income population on a sustainable basis. It recognizes poor and micro entrepreneur who are excluded or denied accesses to financial services on account of their inability to provide tangible assets as collateral for credit facilities. Microfinance can be seen as a supply of loans, savings and other financial services to the poor. According to Johnson and Rogaly (1999) very small deposits and loans are referred together as microfinance. To Osamene and Abdurraheem (2011), microfinance involves the provision of credit, savings, repositories, and financial services to low income earners or poor households to create or expand their economy and to improve their standard of living. Microfinance is the provision of small loans (microcredit) to the poor to help them engage in productive activities or grow very small businesses (Lashley 2004).

Irobi (2008) defines microfinance as the provision of services such as credit (loans), savings, micro-leasing, micro-insurance and payment transfers to economically active poor and low income households to enable them engage in income generating activities or expand/grow their small businesses. She also views it as a financial intervention that focuses on the low-income group of a given society. The intervention primarily involves credit services and may also include savings, insurance on credits and savings.

Some commentators expand the scope of microfinance to include not only financial services but also social intermediation. To Ledgerwood (1999), microfinance is defined as a development approach that provides financial as well as social intermediation. The financial intermediation includes the provision of savings, credit, and insurance, services, while social intermediation involves organizing citizens' group to voice their aspirations and raise concerns for consideration by policy makers and develop their self-confidence. These services are provided by three types of lenders; formal institutions, such as rural banks and cooperatives; semi-formal institutions, such as NGOs; and informal sources such as money lenders and shopkeepers. Institutional microfinance includes micro-finance services provided by both formal and semi-formal institutions collectively referred to as Micro-finance Institutions (MFIs) – (Asian Development Bank, 2004).

For Hossain (2002) microfinance is the practice of offering small, collateral-free loans to people who otherwise would not have had access to capital to begin small business or other income generating activities.

The similarity among all the definitions is that microfinance is about the provision of financial services to the poor, low income earners and people operating small businesses in order for them to improve their standard of living and empower themselves.

To CBN, microfinance services refer to loans, deposits, insurance, fund transfer and other ancillary non-financial products targeted at low-income clients. It distinguishes microfinance from other formal financial products with three features thus: (i)

smallness of loans and savings, (ii) absence or reduced emphasis on collateral, and (iii) simplicity of operations (CBN 2011).

2.2.3 Functional and Conceptional Differences between Microcredit and Microfinance

The terms micro-credit and microfinance are often used synonymously (Bateman 2011). This has created confusions and misunderstandings in both development discourse and policy making. Muhammad Yunus (2004a) founder of the Grameen Bank, explains that the word “microcredit” did not exist before the seventies. But now, it has become a buzz-word among the development practitioners. In the process, the word has been imputed to mean everything to everybody. He feels obvious that there are serious disagreements among micro-credit practitioners and policy makers about the role of small-loan programmes in efforts to alleviate Third World (TW) poverty and disagreements therefore about the type of individual involved in such programmes.

Elahi and Rahman (2006) are of the view that microcredit evolved as a part of paradigm shift in development thinking. Western interests in international development followed political independence of third world countries in the post-war period. To improve the social and economic conditions of former colonies, national and international agencies were created to transfer Western funds and materials (Harcourt, 1997). Because the third world government that received the international aid and loans were primarily responsible for how they were used, the policy is popularly known as the ‘top-down’ approach to development. Unfortunately these international aid programmes were largely unsuccessful. The failure was attributed to the lack of participation by the intended beneficiaries of development projects in the process of designing, formulating, and implementing the projects (Rehnema, 1992; Waddimba, 1979; Wolfe, 1981).

The ‘top-down’ approach was gradually substituted by the ‘bottom-up’ approach. This views participation and participatory methods of interaction as essential dimensions of development. The World Bank endorsed the idea in 1973, when Robert MacNamara (1973) told his audience that no programme would help small farmers if it was designed by people who had no knowledge of the farmers’ problems and implemented by those who had little interest in their future.

Eventually, the ‘bottom-up’ approach or ‘participation and participatory methods’ began to dominate policies of bilateral and multilateral agencies (Stiglitz, 1999; Wolfensohn, 1999).

This new policy regime accorded greater roles to NGOs in the distribution of international aid earmarked for poverty alleviation. NGOs are characterized by their independence of government, their non-profit status, and their motivation to serve humanitarian, social or cultural interest (World Bank, 1996). In terms of functions, they (i) provide goods and services not usually supplied by the state or private sector; (ii) help the government to achieve its development objectives by providing public information, education, communications campaigns, etc; and (iii) organize citizens to voice their aspirations, concerns and alternatives for consideration by policy makers (Clark, 1999).

Microcredit organizations are generally NGOs, and so are not motivated by the wish to make profit. They differ from charitable bodies, because rather than assuming that poverty is the result of personal failings on the part of the poor, microcredit NGOs believe that poverty is created through social processes that deprive the poor of their rightful access to social resources, including credit. Indeed, some microcredit advocates treat credit as a kind of human right, and believe that they can inspire social and economic revolution through organizing the poor under the banner of the Grameen-type microcredit organizations (Elahi and Rahman, 2006).

The tremendous success of microcredit programmes in reaching poor women in rural areas, coupled with exceptionally high rates of loan recovery, soon attracted the attention of international donor community. For instance, the 1997 Microcredit Summit was attended by 2900 delegates from 137 countries, representing 1500 organisations from all over the globe (Microcredit Summit 1997 in Elahi and Rahman, 2006). This popularity inspired academic interest in the topic, leading to the coinage of the term microfinance in the late 1990s (Elahi and Rahman, 2006).

The basic functional difference between micro-credit and microfinance programmes concern the type of service that they provide. Microcredit such as Grameen, provide

mainly one kind of service – loan distribution and recovery – which is linked to group formation and compulsory savings. Microfinance programmes, on the other hand, provide all kinds of financial services, including micro-credit. This microcredit is a necessity but not sufficient element of the new financial sector that seeks to cater to the credit needs of the poor who do not have access to formal sources (Elahi and Rahman, 2006).

This is perhaps the reason why the microfinance movement is described as the second revolution in credit theory and policy (Woller, 2002).

The first revolution concerned microcredit and was focused on overcoming the structural barriers to providing savings and credit services to the poor. These barriers include information asymmetries, lack of collateral, high cost, high risk and systematic market bias.

Elahi and Rahman (2006) identify the followings as the key methods used in microcredit schemes:

- ❖ a standardized and limited set of products and services
- ❖ group lending
- ❖ social collateral
- ❖ forced savings
- ❖ small initial loan size
- ❖ loan size tied to savings
- ❖ standardized loan repayment and disbursal schedules
- ❖ frequent repayments.

The promoters of the second revolution, i.e. microfinance, describe above innovations as ‘inward-looking’. They say their primary purpose is to satisfy organizational and donor demands, not the demands of their customers or clients. More specifically, microcredit programmes provide ‘product-centred’ services, as they find customers to match the demands of their product (small loans), rather than developing products to match the demands of their customers.

Thus, the proponents of the second revolution recommend replacing the product-centred approach with the customer-centred approach. This new approach involves developing and providing financial services that the customers want. Evidence suggests that the product-centred orientation is becoming dysfunctional (Woller, 2002).

From the functional point of view, the microfinance revolution is in reality a transformation of the microcredit revolution that started in the mid-1970s. This perhaps explains why the two terms are often used synonymously, and/or the two types of programmes are examined under the same heading (Morduck, 1999; Ledgerwood, 1999). Commentators who use these terms interchangeably regard the differences between them as semantic, rather than substantive. But Elahi and Rahman, (2006) feel that this view cannot be maintained if one looks at the supply side of microfinance programmes. The issues become critical that Yunus (2004a) advises that every time the word microcredit is used, it should be clear which type (or cluster of types) of microcredit is referred to. To eliminate the endless confusion in the discussion, Yunus (2004a) discourages the use of the term microcredit or microfinance without identifying its category.

However, there are two major fundamental conceptual differences between microcredit and microfinance. The first concerns the profit motive. NGOs or non-profit bodies that run microcredit programmes do not, by definition, seek to make a profit. Microfinance, however, is a for-profit private venture. The second fundamental conceptual difference concerns the means by which the operations are financed. Microcredit programmes that are run by non-profits depend upon external finance, but microfinance programmes set out to make a profit, must eventually be self-financing. For example, money lenders use their own money to do their business; they do not approach either national or international donor agencies for investment funds. National and International development agencies cannot help them to pursue their lending ventures (Elahi and Rahman, 2006).

Microcredit services have moved from the domain of charity to financial sustainability as microfinance. Copestake (1995) comes up with two approaches, where credit is seen as a central reason for poverty as perceived by Muhammad

Yunus, an organization will more or less confine its role to the provision of credit. This he calls the credit minimalist approach. The organization tends to evaluate their success in terms of financial indicators of outreach repayment although consideration of impact is certainly not unknown. If, on the other hand, poverty is viewed as a result of a more complex process involving liquidity problems as well as other factors, the organisation's objectives will tend to incorporate the provision of a larger range of financial, economic, social and organizational interventions. This, he calls the 'credit plus' approach. While microcredit is akin to the minimalist approach, the microfinance aligns with the 'credit-plus' approach.

Over the last decade, a growing recognition of the importance of and need for additional services beyond loans (that is microcredit alone), has expanded the concept of microcredit to microfinance. The Consultative Group to Assist the Poor (CGAP) defines microfinance as an inclusive financial system whereby poor people everywhere enjoy permanent access to a wide range of quality financial services, delivered by different types of institutions through a variety of convenient mechanisms. The services offered by microfinance programmes include loans, savings, money transfer services (remittances) and microinsurance (Beaudry S. no date).

The reach of microfinance programmes to the poor is truly amazing. As of December 2007, more than 3,500 MFIs had reported to the Microcredit Summit that were reaching nearly 155 million clients; nearly 107 million of whom were among the poorest when they took their first loan. Of these poorest clients, 83 percent, or almost 89 million people were women (Daley-Hans, Sam 2009 in Beaudry S. no date).

Private and public funding has fueled phenomenal growth. In 2007, according to a CGAP survey, nearly US\$12 billion was committed by donors in support of microfinance. Increasingly, microfinance has also become an opportunity for doing well by doing good, with financial analysts demonstrating that investment in microfinance can offer profitable returns (Beaudry S. no date). Microfinance and formal banking share the same similarities. Banking, defined as financial intermediation involves bringing together the independent acts of savers and borrowers to facilitate one another's goals. The only difference between microfinance

and formal banking system is that the later is geared to the rich urban clients, while the market for microfinance services consists primarily of the poor rural people who need credit in order to pursue their small enterprises in the informal economy. Microfinance entrepreneurs are usually business people who apply the usual profit motives to meet this demand and to be self-financing. Therefore, subsidized credit and subsidized banking with the poor are inimical to best practice in microfinance” (Remenyi and Quinones, 2000).

According to Boudreaux and Cowen (2008), after decades of failure, the world’s aid organizations seem to think that they have at last found a winning idea. The United Nations declared 2005 the “International Year of Microcredit”. The then Secretary-General Kofi Annan declared that providing microloans to help poor people launch small businesses recognizes that they are the solution, not the problems. It is a way to build on their ideas, energy and vision. It is a way to grow productive enterprises and so allow the communities to prosper.

Many investors agree. Hundreds of millions of dollars are flowing into microfinance from international financial institutions, foundations, governments, and most importantly, private investors. Private investment through special microfinance investment vehicles alone nearly doubled from US\$513 million to \$981 million (Boudreaux and Cowen, 2008).

2.2.4 Does Microfinance Really Alleviate Poverty?

The idea of using microfinance as a tool to eradicate poverty has received different reactions from researchers. Some are very much in favour of it (Leon, 1998, Amin et al. 1998, Chatterjee, 2001, Cheston and Kuhn, 2000, Sharma, 2000, Kuramandaliva et al. 2003). There are others who believe that microfinance schemes whether Government organized or NGO based are not fully successful due to certain shortcomings in the system and have suggested many ways to improve like; women participation should increase (Lapenu, 2000), effective screening and semi-joint ventures should be used (Diange, 2000), different models of reassessment should be used depending upon the country and region (Mohiuddin, 1993). Some researchers are totally against using microfinance as a tool of poverty alleviation due to not-very-

successful results of existing NGO's and other MFIs (Halme and Mosley, 1996, Jayawardana, 2001, and Coleman, 2001).

Two main reasons for this poor performance of MFIs are given. First, is the lack of dept of these schemes in which core poor are left out due to corruption, lack of awareness or planning (Zeller and Sharma, 1998, Kuramanalieva, et al., 2003, Bajwa, 2002, and Ibrahim et al. 1994). The second is the belief that there is always a decrease in social programmes like spending on primary health, education and food due to diversion of funds towards microfinance (Halme and Mosley, 1996; Jayawardana, 2001). Solutions to these problems have been given by some commentators as the flexibility of product designs, and time of microfinance (Burorjee, et at. 2002, Sharma, 2000, and Mumtaz, 2000). Some others have suggested different strategies to make micro-finance effective like, minimalist credit for self-employment should be changed to financial and technical assistance for employment generation.

Many critics show that microfinance does not reach the poorest of the poor (Scully, 2004), or that the poorest are deliberately excluded from microfinance programmes (Simanowitz and Walter, 2002). Some other critics argue that group loans, which are given by microfinance institutions, lead to high transaction costs since most microfinance schemes have regular group meetings (Armendariz de Aghion and Morduch, 2000). It has also been argued that the size of the needed loan often exceeds the maximum amount that can be borrowed from microfinance institutions. This, especially hampers productivity (Khawari, 2004; Madajewitez, 2003). Buckley (1997) argues that the commonly touted indicators of success of microcredit programmes (namely high repayment rates, outreach and financial sustainability) say nothing about the impact on microenterprise operators and only tantamount to microfinance evangelism. Based on a study on three countries (Kenya, Malawi and Ghana), Buckley (1997) concludes that there are little evidence to suggest any significant and sustained impact of microfinance on beneficiaries of microentrepreneurs graduating to a higher or more sophisticated operations, increased income flows or level of employment. The main argument that was adduced was that improvement in access to microfinance and markets was not sufficient unless there

was an accompanying change in the undertakings (i.e. changes in techniques and/or technology).

Zeller and Sharma (1998) argue that microfinance can help to establish or expand family enterprises, potentially making the difference between grinding poverty and economically secure life. But Burger (1989) observes that microfinance tends to stabilize rather than increase income, and tends to preserve rather than create jobs.

Hulme and Moore (2006), after a study on Grameen Bank conclude that the consensus did not mean that every one was happy about the Grameen Bank and it has faced opposition. Domestically, the greatest threat has been from Islamic fundamentalists who see it as challenging the position that women should play in a truly Islamic society and abrogating the prohibition of usury. This leads to at times physical threat, with offices attacked and field staff threatened and harassed.

According to Banerjee et al. (2009), microcredit has spread widely since its beginnings in the late 1970s, but whether and how it helps the poor, is the subject of intense debate. Despite high hopes for microcredit's potential to transform the lives of the poor, there is a lack of concrete evidence demonstrating its impact. Skeptics fear that microfinance is displacing more effective anti-poverty measures or even contributing to long term poverty via over-indebtedness. The researchers examined changes in outcomes that directly relate to poverty, such as consumption, new business creation, and business income, as well as measure of other human development outcomes such as education, health and women's empowerment. They summarized that in the short run, microcredit does not appear to be a recipe for changing education, health or women's decision-making. They therefore concluded that microcredit may not be the miracle that some have claimed, but it does allow household to borrow, invest, and create and expand businesses.

Mahajan (2005) is of the opinion that microcredit cannot by itself promote economic growth and in reality is barely adequate even as an instrument for poverty alleviation, let alone economic growth. He comes up with five assumptions which he says are the limitations of microcredit. These include:

- ❖ Assumption that credit is the main financial service needed by the poor. Actually it is not. The poor need and want to save much more than they want to borrow.
- ❖ Assumption that credit can automatically translate into successful microenterprises. This is the familiar debate of minimalist credit strategies versus the integrated approach to micro-enterprise promotion. He accepts that microcredit is a necessary but not a sufficient condition for micro-enterprise promotion. Other inputs are required such as identification of livelihood opportunities, selection and motivation of micro-entrepreneurs, business and technical training. Others include, establishment of market linkages for inputs and outputs, common infrastructure and some times regulatory approvals.
- ❖ Assumption that the poorest all wish to be self-employed and can be helped by microcredit. Many of the proponents of microcredit as strategy for poverty eradication make the explicit assumption that the poor would like to be self-employed. As attest by Hulme and Mosley (1996), a majority of poor people, particularly the poorest (such as landless labourers in India) want steady wage-employment, on- or off- farm.
- ❖ Assumption that those slightly above the poverty line do not need microcredit and giving it to them amounts to mis-targeting. Though many microcredit programmes including the Grameen Bank, have a vast majority of their clients who are poor, this is not true of a large number of other microcredit programmes, including India's self-help group (SHG) bank linkage programme.
- ❖ Assumption that microcredit institutions can all become financially self-sustaining. Mahajan (2005) disagrees. He cites studies done by CGAP which show that only about 100 of the 10,000 odd microfinance institutions (MFIs) around the world are financially self-sufficient and concludes that the dual premise that microcredit is able to serve the poor, and in financially sustainable manner, is not borne out in practice.

Vatta (2003) believes that the major argument against microcredit is its failure to reach the poorest of the poor. Too much of financial discipline/stringency, that is,

strict repayment requirements and penalties for delay, could deter the poor from joining a micro-credit scheme or could limit their duration of participation in it (Madheswaran and Dharmadhikary, 2001).

Albee (1996) is of the opinion that rather than microfinance empowering the poor, it creates debt trap for them. She queries the claims 90-98 percent repayment rates by so many projects, and advises that rather than satisfying donors, it should set off alarm bells. She spots one common flaw as hidden delinquency caused by over-lapping loans. Here, borrowers use recent credit to offset existing ones. Crises point is reached at the point of payment of the final installment of the final loan, when the borrower must repay all the outstanding debt, and may not be able to do so. The borrower must then sell an asset, thus losing any progress they may have made.

After analyzing 5000 households in rural Morocco – over two years, Duflo (2010) concludes that strikingly, 30 years into the microfinance movement, there is little solid evidence that (microfinance) improves the lives of clients in measurable ways.

Chowdhury (2009), sums up that microfinance is not a panacea for poverty reduction, which needs both complementary supply-side and demand-side factors.

After a study in Bangladesh, Khandor (2005) confirms that microfinance programmes have a sustained impact in reducing poverty among the participants, especially for female participants and a positive spill over effect at village level. He is also of the opinion that microfinance programmes not only help the poor or redistribute income but also contribute to national economic growth. However, some other studies have shown that MFIs have not reached the poorest of the poor in Asian countries (Weiss and Montgomery, 2005) or in Bolivia (Mosley, 2001). In Bangladesh, Rutherford (2003), states that despite the widespread of MFIs, their share of the total management activities is small relatively. This indicates the need for MFIs to move away from being product-based organizations to reflect the heterogeneity of the demand structure for financial services/products by poor.

2.2.5 Special Features of Microfinance

Some key features single out microfinance from other financial services. In recognizing this fact, Ehigiamusoe (2008) identifies them to include:

- ❖ Collateral substitution - A distinguishing feature of classical microfinance practice is its disregard for tangible collateral requirement. Conventional banking practice places primacy on provision of collateral as condition precedent for credit. Tangible assets are pledged as securities for credit. This requirement is premised on the reasoning that a credible threat of loss of pledged assets serves as enough motivation for loan repayment. It is a ready means of transferring risk from the lender to the borrower.

Exclusion of the poor and owners of microenterprises from institutional services is attributable to collateral requirement. Collateral requirement is often cited as the reason for the rise of modern microfinance. Microfinance begins with the recognition that the poor or owners of micro-enterprises do not exercise command over assets as titled land and stocks often demanded by conventional banks. Collateral requirement is akin to demanding from someone what they do not have.

Microfinance as a development tool represents an approach which believes in the people (what they are) rather solely in collateral (what they have). Microfinance as a development approach believes that the poor are capable of improving their condition if they have access to financial services on affordable conditions and that they remain poor because they are excluded from institutional credit. Pledge collateral is unnecessary as motivation to meet repayment obligation can be created by other means as peer group guarantees, effective loan utilization monitoring and client friendly practices as prompt approval of larger subsequent loans and convenience of access. Clients in most cases have adequate knowledge of their credit group; their character and debt absorptive capacity. This knowledge becomes useful in participatory loan appraisal. Assurance of continuous access to affordable services has proved to be a strong motivation for prompt repayment.

- ❖ Small units of services - Usually, financial services are often directed at owners of micro-finance and small enterprises. Services are therefore structured to reflect the absorptive and debt capacity of the service users. Fund absorptive capacity of microenterprises is low. Sizes and frequency of savings are determined by the ability of the clients.

Low-income people have relatively smaller amount to invest. This has implication for the level of transactional cost. Delivering methodology as group formation is adopted to mitigate cost.

- ❖ Priority focus on women – Women constitute greater proportion of client base of most microfinance providers. There are a number of explanations and opinions for this disproportionate representation of women in client base of most microfinance institutions. Many practitioners believe that female clients exhibit better credit discipline than their male counterparts; therefore, microfinance institutions seek them. It is also noted that women could be easily intimidated to comply with repayment undertaking. Usually, excellent loan repayment performances of microfinance are cited as evidence. More plausible reasons for preponderance of women in microfinance include relative higher degree of deprivation of women. There are very few societies across developing countries where women are treated on equal terms with men. Customs and traditional practices and religion in some cases ascribe lower social status to women. They are by some customs denied rights of inheritance. They do not own land and other valuable assets acceptable as collateral securities for institutional credit. Women do not also have information on credit opportunities in the main-stream financial system. Frustrated at this form of exclusion, and scared of the usually high rate of interest on funds from moneylenders, they turn to microfinance institutions. Another reason is nature of business activities in which women are engaged in. Women entrepreneurs tend to undertake business activities which are usually supported with small loans. These include subsistence farming, trading, food vending, tailoring, basic craft work and other economic activities in the informal sector dominated by women. Another opinion is that when a woman's income earning capacity increases, the entire household, especially children benefit more than when that of a man does.

- ❖ Access to Repeat Loans – Continuous provision of financial services to identified clients has become a feature of microfinancing. Typically, loans of larger sizes are disbursed to clients in subsequent cycles. Small loans are disbursed at earlier cycle according to lower debt capacity of new clients. It also serves to test the credit worthiness of newer clients. Repeat loans ensure that impact of utilization of financial services is maximized. Micro-enterprises require several cycles of financial support to grow to maturity. Microfinance institutions through client surveys and product/service improvement strive to retain their clients. This makes economic sense. Older clients are cheaper to service; they require less monitoring as they present less risk.

- ❖ Client Centredness. Microfinance is not simply micro-banking. A distinctive feature of microfinance banking is that service users are not related with as faceless customers as in conventional financial institutions where their account numbers identify customers. Beyond the demand for tangible collateral for loan, a major obstacle to credit for the poor is their inability to understand the language and nuances of formal lending. To reach the poor with financial services, the provider must seek to engage them in a creative manner. In microfinancing, partnership is essential. The poor feel that the relationship must be beyond collection of loans and deposits. The microfinance banker must demonstrate interest in their businesses and even in the welfare and education of their children. Also, the microfinance banker must be able to relate effortlessly with poor customers. The banker must not in language, dressing and general carriage intimidate their customers. In training and orientation, the microfinance banker must be equipped to meet the challenges of being a banker for the poor.

- ❖ Group Delivery Methodology – The rising trend of provision of financial services to individuals has not diminished the predominance of group delivery methodology in microfinance. Potential clients are assisted to organize into credit and savings groups. Membership of their groups is self-selecting with members sufficiently familiar with each other. For convenience and peer support, groups are usually formed along communality of business activities and location of residences and businesses. Service delivery to members could be done jointly

whereby borrowers collectively access, utilize and repay loans. On the other hand, individual, acting in a group takes individual responsibility for the utilization and repayment of their credit facility. Group methodology is adopted to achieve operational objectives. These objectives include cost reduction strategy – whatever purpose including repayment of credit granted and also builds solidarity among borrowers.

- ❖ Door-Step service delivery – Unlike the practice in conventional banking, microfinance service providers take financial services to customers in their homes, business and meeting locations. The microfinance banker must be prepared to take banking to the clients rather than wait for them in exquisite furnished branch offices. While exotic furnishing and designer wears might impress well-off customers of commercial banks, they are intimidating or nauseating to the poor customers of microfinance banks and institutions. They are more comfortable with the sometimes dusty or oily business environment for their financial transactions.

2.2.6 Characteristics of Microfinance

Despite the developmental opportunities which credit provide to the poor households, formal banks hardly lend to the rural people engaged in agriculture because they lack collateral that they could offer as securities for loans. Also, because of the small loan size, formal banks are averse to lending to the small borrowers because of high transaction costs. Another factor why formal banks are reluctant to lend to people employed in agriculture is the high uncertainty of their incomes, which is highly dependent on weather and sheer luck (World Bank , 1989). As a result of these factors, poor households rely exclusively on informal credit markets (Nissanke, 1994; Soyibo, 1994; and Hyuha et al. 1993).

Informal credit markets refer to financial transactions outside the regulated formal financial sector with key players being relatives/friends, savings and credit cooperatives/associations, money-lenders, community-based organizations, non-governmental organizations (NGOs) (Wamasembe, 2001).

The World Bank (2007) enumerated nine traditional characteristics associated with what is perceived to be microfinance. These are:

- small transactions and minimum balances (whether loans, savings, or insurance)
- loans for entrepreneurial activities
- collateral – free loans
- group lending
- target poor clients
- target female clients
- simple application processes
- provision of services in underserved communities
- market level interest rates.

The Bank argues that it is debatable which of these characteristics, if any, are necessary conditions for a programme to be considered microfinance. The first feature, small loans, is likely the most necessary, though lending itself is not essential; some microfinance programmes focus on mobilizing savings. Although MFIs often target microentrepreneurs, they differ as to whether they require this as a condition for a loan. Some MFIs visit borrowers' places of business to verify that loans were used for entrepreneurial activities while others disbursed loans with few questions asked – operating more like consumer credit lenders. In addition, some MFIs require collateral or collateral substitutes, such as household assets that are valuable to the borrower but less than the value of the loan. Group lending, too, while common practice among MFIs, is certainly not the only method of providing micro-loans. Many MFIs offer individual loans to their established clients and even to first-time borrowers. Grameen Bank, one of the pioneers of the microfinance movement and of the group lending model has since shifted to individual lending.

To Yahaya et al. (2011), the characteristics of microfinance are:

- ❖ It is a way of reducing poverty by accessing small amount of credit at a reasonable interest rate which gives the economically active poor an opportunity to set up their own business.

- ❖ Microfinance is established to provide financial services to the economically active poor and low income earners to help them engage in income generating activities or expand their small business.
- ❖ Microfinance banks help in providing services that sustain entrepreneurs in their self-employment and also assist in generating employment.
- ❖ A noticeable economic growth cannot be achieved without putting in place well focused programs to reduce poverty through empowering the people by increasing their access to microfinance which is aimed at providing credit to the economically active poor.
- ❖ The main features that distinguish microfinance banks from other types of banks are the smallness of loans advanced and or savings collected, the absence of assets based collateral and simplicity of operations.
- ❖ Microfinance banks are also established to replace the community banks because of the weak capital base of the community banks coupled with weak institutional capacity.

The focus on poor clients is almost universal, with varying definitions of the word poor. While some argue that microfinance should focus on the economically active poor, or those just at or below the poverty level (Robinson, 2001), others, on the other hand, suggest that microfinance institutions should try to reach the indigent (Daley-Harris, 2005).

According to Bayulgen (2008), despite the increasing diversity of microfinance services around the world, microcredit, however, is still at the core of microfinance for many transitioning economies. Microcredit or micro-loans are generally directed towards funding both existing and start-up enterprises. These loans help the poor develop their own businesses with the purpose of income generating. The main characteristics of micro loans vary widely. Small loans can start as low as US\$5 and go up to US\$10,000. Micro-loan maturity is usually quite short, rarely going beyond a year, with weekly or even in some cases daily repayment schedules (Helms, 2006).

To cover the cost of services and ensure the financial sustainability of lending institutions, interest rates are usually higher than those of commercial loans but far below some of the informal moneylenders. Despite high interest rates, however, repayment rates are relatively high among microfinance clients. Microfinance institutions typically claim extraordinary loan losses of 1-3%, better than the rate for large banks in developed countries and much better for the large credit-card companies (Bayulgen, 2008).

The low percentage of delinquency has been credited to the lack of alternative opportunities for the poor as well as for their gratitude for being given a chance. According to Yunus (2003) the poor know that this credit is their only opportunity to break out of poverty. They do not have any cushion whatsoever to fall back on. If they fall afloat of this one loan, they will have lost their one and only chance to get out of their poverty.

There are various loan products designed for different needs and characteristics of clients, such as group (peer) loans (business or consumer), individual loans (business or consumer), agricultural loans (peer or individual). However, between the individual and group lending, the latter product is considered by many to be a milestone in microfinance history. In this form of lending, self-selected groups of 3-10 people join together and apply for a loan. In addition to fulfilling individual credit liabilities, each member also shares some degree of responsibilities for other members' repayments, varying from legal guarantees to the loss of future access to credit (Bayulgen, 2008).

It is important to note that microfinance operates at the intersection of three sets of actors – the poor, the MFIs and the governments. At the micro level is the poor who need these financial services. Typical microfinance clients are self-employed entrepreneurs. In rural areas, they are small farmers and others engaged in small income-generating activities, such as food processing and trade. In urban areas, they are street vendors, shopkeepers, service-providers, artisans, etc. (Helms, 2006).

Out of all the microfinance institutions, the non-governmental organizations have been the true pioneers of micro-finance since the mid 1980s. Some are formed with

the sole purpose of providing microfinance; others offer it in addition to other services. Some NGOs are locally created and sustained; others are founded and supported by funds from international donors. The best known microfinance NGOs include the Bangladesh Rural Advancement Committee (BRAC), Grameen Bank in Bangladesh, Foundation For International Community Assistance (FINCA) and CARE International. While some of these organizations are increasingly behaving “commercial” to achieve sustainability and independence from donors, others are continuing to be socially driven and pushing to reach the poorer and more vulnerable clients in remote areas. Even though the NGOs have led the way in the development of microfinance, they face a number of constraints, the two most important being the high-cost operations and the limited range of services that they can offer. For instance, legally NGOs cannot mobilize savings as banks and other intermediaries that are supervised by banking authorities can (Helms, 2006).

The formal financial institutions are relative newcomers to the world of microfinance but ironically hold the most potential in terms of making financial systems all inclusive. They are often wide-spread networks, and they often possess the infrastructure to offer a range of financial services. Some government-owned were specifically founded with the clear mission of bringing development to rural areas. For example, Bank Rakyat Indonesia (BRI), microfinance division is the largest and one of the best performing microfinance institutions in the world (Helms, 2006).

However, the challenge with many government-owned financial institutions is that they are not very reliable financial institutions. They are usually politically motivated; they depend on large subsidies; they have weak loan collection mechanism; and they do not adequately respond to the need of the poor clients (Bayulgen, 2008).

The private commercial banks and non-bank financial institutions (NBFIs) that specialize in microfinance, on the other hand, typically provide more financial services. For instance, Compartamos is the largest dedicated MFI in Latin America, while Share is one of the more prominent MFIs in India and Banco Sol in Bolivia is the first private commercial bank in the world dedicated exclusively to microfinance (Helms, 2006).

2.2.7 Principles of Microfinance

The questions raised by the growing demand and insufficiency in the administration of credit to the unbanked population was a key item in the agenda in the Group of Eight leaders of industrialized nations (including USA, Great Britain and Germany) in their meeting of 10 June 2004. Among others, the meeting considered and ratified the key principles of Microfinance that was developed and endorsed by CGAP. The adherence to these principles has helped successful institutions to promote access to financial services and enhance institutional practices for efficient microfinance delivery (Egwuatu, 2008). According to Egwuatu (2008), these principles include:

- ❖ Microfinance is a specialized field that combines banking with social goals. This requires that the capacity of microfinance operators needs to be built at all levels. Most investments in the sector both public and private should focus on this capacity building initiative.
- ❖ National governments play an important role in setting a supportive policy environment that stimulates the development of financial services, while protecting poor people's savings. The key things that a government can do for microfinance include, to maintain macro economic stability, avoid interest rate and refrain from distorting the market with unsustainable subsidized, high delinquency loan programme. Governments can also support financial services for the poor by improving the business environment for entrepreneurs, clamping down on corruption and improving access to markets and infrastructure.
- ❖ An overwhelming number of people in developing nations lack access to basic financial services. This is due mostly to lack of strong retail financial intermediaries. Just like everyone else, the poor need a wide range of financial services that are convenient, flexible and reasonably priced.
- ❖ Access to sustainable financial services enables the poor increase income, build assets and reduce their vulnerability to external shocks. Microfinance allows poor household to move from everyday survival to planning for the future, investing in better nutrition, improved living conditions and children's health and education.

In order to achieve its full potential of reaching a large number of the poor, microfinance should, therefore, become an integral part of financial sector.

- ❖ Building financial systems for the poor, means building strong domestic financial intermediaries that can provide financial services to the poor on a permanent basis. Such institutions should be able to mobilize and recycle domestic savings, extend credit and provide a range of services.
- ❖ Achieving financial sustainability means reducing transaction costs, offering better products and services that meet client needs and finding new ways to reach the unbanked poor. Donors should use appropriate grant loans and equity instruments on temporary basis to build institutional capacity of financial providers. Donor funding must seek to integrate services for the poor into local financial markets.
- ❖ It costs much more to make many small loans than a few large loans. Unless micro lenders can charge interest rates that are well above average bank loan rates, they cannot cover their costs. Their growth sustainability will be limited by the scarce and uncertain supply of subsidized funding. When government regulates interest rates, they usually set them at levels too low to permit sustainable microcredit administration.

2.2.8 The Concept and definition of poverty

About 1.2 billion people (20%) of the world population live in extreme poverty and hunger. The population for the developing countries is a frightening 30%. Poverty causes and/or worsens many problems in developing countries (Kankwenda et al., 2000).

More than 80 percent of all households in developing countries do not have access to institutional banking to secure loans from formal financial institutions. Also, technical back stopping needed for creativity and enhanced productivity is absent (Egwuatu, 2008). These exacerbate poverty. According to Ruben (2007), the world's poorest people face a great many barriers to basic financial services. One problem is that the poorest do not own property, so they lack the necessary collateral needed to

secure loans. Most have no credit records, most lack education or formal employment records. Many live in rural areas, beyond the reach of traditional banks. Many cannot read or write or sign their own names. Women are often deterred in that some societies stipulate that only a man may serve as guarantor to loans.

Osemene et al., (2011) see poverty as either absolute or relative or both. Absolute poverty being that which could be applied at all time in all societies such as the level of income necessary for bare subsistence, while relative poverty relates to the living standards of the standards that prevail elsewhere in the society in which they live.

Poverty is a condition in which a person or a community is deprived of, or lacks the essentials for a minimum standard of well-being and briefly, a life of having little or no money and few or no material possessions (Jayasuriya, no date).

Poverty is by nature, a complex and multi-dimensional phenomenon (Kankwenda et al., 2000; Chavan, P. et al., 2002) and World Bank 2000/2001). It is not a state; it is the result of a process. It is almost never defined in itself but through other concepts, such as income, basic need, growth, well-being, exclusion or equality (Kakwenda et al., 2000).

Three aspects of poverty are identifiable: poverty of money; poverty of access; and poverty of power (Eneh, 2007). Money is the most prevalent means of measuring poverty. However lack of money may not be the cause, but the symptom of poverty. The poor may have income but lack the ability to accumulate assets to create wealth and break the cycle of poverty. They battle with low earnings, insecurity of income, and exploitation and extortion by money lenders, bribe-seekers, middlemen and stronger business partners. These limit the choices of and security of the poor makes virtually impossible the breaking of the cycle of poverty, and lead to their marginalization and alienation.

The UNDP (1997) focuses its concept of poverty on lack of capabilities. The capability approach reconciles the motions of relative and absolute poverty, since relative deprivation in incomes and commodities can lead to absolute deprivation in minimum capabilities.

Elahi and Rahman (2006) view poverty from the lens of human right. They argue that because micro-credit organizations are generally NGOs, they are not motivated by the wish to make profit. They differ from charitable bodies because, rather than assuming that poverty is the result of personal failings on the part of the poor, micro-credit NGOs believe that poverty is created through social processes that deprive the poor of their rightful access to social resources, including credit. They advocate that poverty treated as a kind of human right can inspire social economic revolution through organizing the poor under the banner of the Grameen-type microcredit organizations.

In a modified definition, the World Bank (2000/2001) defines poverty as the state of living on less than \$2 a day and this poverty continues to remain elusive to eradicate even for the billion dollars. The Bank also conceives poverty as consisting of vulnerability, powerlessness and social exclusion in addition to material deprivation.

Poverty in many developing countries is largely a matter of not having enough on their table to eat. Providing the poor with financial services is one way to increase their income and productivity, e.g. through self-employment and thus escape poverty (Chowdhury, 2001). Poverty is explained by individual circumstances and/or characterized of poor people such as amount of education, skills, experience, intelligence, health, handicap, age, sex, etc. It can also be defined as the state of being without, often associated with need, hardship and lack of resources across a wide range of circumstances (Irobi, 2008).

According to Latife (2003), poverty is a global issue. Despite changes in developmental paradigms in the last 20th century, the promise to bring well-being to all human-being remained unfulfilled. As it stands, more than 100 million children of primary school age have never stepped inside a classroom, about 29,000 children die each day from largely preventable malnutrition and disease and more than 1.2 billion in the world are struggling to survive – at the margins of human existence – on under a dollar a day.

Poverty is a problem for all countries irrespective of their level of development. It can be observed in many forms. It has both income and non-income dimensions. It

may be lack of income or resources, lack of coping capacity, a lack of basic human capabilities, a lack of institutional defenses or in extreme cases, a lack of all these. In a wider sense, it may be a combination of economic, social and political deprivations (Latife, 2003).

In consideration of poverty line, people in each country can broadly be divided into two categories, namely poor and non-poor. The non-poor are living above and the poor are living below the poverty line. The poor may be divided into destitute (bottom 10 percent below the poverty line), extreme poor (those in the bottom 10 to 50 percent of households below the poverty line) and moderate poor (the top 50 percent households living below the poverty line) (Latife, 2003).

According to Matovu (2006), the definition of what is meant by poverty and how it is measured and who constitutes the poor, are fiercely contested issues. In the poverty debate stands the question whether it is largely about material needs, or whether it is about a much broader set of needs that permit well-being.

To Okpara (2010), the issue of poverty has been a major concern to many nations, particularly the developing countries. Poverty has been defined as a situation where a population of a section of the population is able to meet only its bare subsistence: the essentials of food, clothing, and shelter in order to maintain a minimum standard of living (Balogun, 1999). The World Development Report (WDR) from the World Bank (1990) notes that conditions could be described as poor if per capita income or consumption of an individual is below US\$ 370 or very poor if it is below US\$275 at any time period. Looking at poverty in absolute and relative terms, Englama and Bamidele (1997), aptly summarizes the definition of poverty as a state where an individual is not able to cater adequately for his or her basic needs of food, clothing and shelter, meet social and economic obligations; lacks gainful employment, skills, assets and self-esteem; and has limited access to social and economic infrastructure. In other words, the poor lacks basic infrastructure such as education, health, potable water and sanitation and as a result, has limited change of advancing his or her welfare to the limit of his or her limited access to social and economic infrastructure. The poor lack capabilities.

Bringing in nutrition in the definition, the World Bank (1993), describes the poverty line as the value of income or consumption necessary for (a) the minimum standard of nutrition and (b) other “necessities”. The Human Development Index (HDI) of the United Nations Development Programme (UNDP, 1996) introduced by the United Nations to give indication to poverty or prosperity level within a society and globe, considers life expectancy at birth, adult literacy rate, combined primary, secondary and tertiary enrolment ratio and the real GDP per capita as factor indicators of interest.

Olodumi (1999), notes that poverty is a worldwide phenomenon but adds that Nigeria is one of the poorest countries in the world. The situation has reached an alarming stage as more than 45 percent of the population lives below the poverty line, while 67 percent of the poor are extremely poor. Bureau of Statistics (BOS) report for the period (1980-1996) indicates that about 67 million Nigerians are living below poverty level. The report also indicates that from 1980 to 1985, the percentage of rural dwellers and urban inhabitants in the core poverty bracket rose from 6.5 and 3.0 percent to 14.8 and 7.5 percent, respectively. Within the same period, the percentage of moderately poor in the rural areas rose from 21.8 to 36.6 percent and 14.2 to 30.2 percent, respectively. Also, the number of non-poor in both rural and urban areas dropped from 71.7 and 82.8 percent to 48.6 and 62.2 percent, respectively (Awoseyila, 1999; Okumadewa, 1999).

When dependency is factored into poverty, the increasing incidence of poverty in Nigeria is not surprising. Going by Oladumi (1999), the overall dependency ratio in Nigeria is 234 dependents per 100 gainfully employed persons. In the rural areas, it is 286 dependents per 100 workers, while in the urban centre it is 219 dependents per 100 workers. The labour force age (between 15 and 64 years) dependant ratio is 259 dependants per 100 workers nationwide. It is 302 and 222 dependants per 100 workers in the rural and urban centres, respectively. This scenario works concertedly to further reinforce the poverty syndrome of the average Nigeria employee, as each bears heavy economic burden of over 200 non-workers (Okpara, 2010).

Poverty as per international definitions is either defined as number of people living under one dollar per day or people who can only take less than 2550 calories per day (adult) (Alam, 2005, Ziauddin, 1999, Gohar, 2000, and ADBP, 2005).

Definitions of poverty have emerged from different lenses which include individuals, local and global bodies, various countries with varying stages of economy and development. This explains the variations in the definitions.

However, this study identified with income poverty and appreciated microfinance which provided the needed credit to the poor as a weapon towards poverty alleviation.

Microfinance is a key policy strategy for poverty alleviation. Inadequate access to credit by the poor has been identified as one of the contributing factors to poverty. To redress the issue, the policy of increasing access to both production and consumption credit by the poor has been articulated. For sustainable poverty alleviation, the policy also emphasizes the sustainability of the microfinance institutions (MFIs) that deliver services to the poor (Okurut, 2004).

2.2.9 Women, Poverty and Microfinance

According to Albee (1996), the current stress on women and credit by development agencies comes as a result of increasing recognition that the benefits of development are most likely to have a positive effect on families when channeled through women.

Women are the major actors in the global economy. Investing in low-income women entrepreneurs is a highly efficient means of achieving economic and social objectives. Women manage household finances in most of the developing world. As more cash and assets get into the hands of women, most of these earnings get into the mouths, medicine and school books of their children (Women's World Banking, 1994).

Albee (1996) is of the opinion that credit is often and increasingly provided with the following objectives of:

- ❖ supporting the growth of self-sustaining small businesses;
- ❖ improving women's opportunities, and supporting them in their role as producers;

- ❖ providing alternatives to exploitative indebtedness of the poor caused by the local money-lenders.

The Micro Credit Summit held in Washington DC in February 1997, proclaims that the time has come to convene the people and organizations necessary to launch a global movement to reach 100 million of the world poorest families, especially the women of those families, with micro credit for self-employment by 2005 (later shifted to 2015).

At the same time, the new Consultative Group to Assist the Poorest (CGAP), established by the World Bank with funding of US\$200 million from various sources, is dedicating its entire programme to credit for very small businesses (micro-enterprise credit). According to the CGAP administrator, Mohini Malhotra, the programme will target women because the poorest, landless, most destitute heads of household are women (Rogaly, 1996).

The recent shift in terminology from microcredit to microfinance, reflects the acknowledgement that savings services – and not just loans – can help improve the well-being of the poor in general and of women in particular (Zeller and Sharma, 2000; MacIsaac, 1997; Morris and Meyer, 1993).

Latife (2003), states that “poverty has a woman’s face”. According to him, there are more women than men who suffer from abject poverty. They live in severe deprivation and despair. Of the about 1.2 billion people of absolute poverty in the world, the majority are women. Traditionally, they have to manage the family with virtually nothing to manage with. If anyone is to go hungry in the family, it is usually the mother. According to Muhammad Yunus (2003): mother has to go through traumatic experience of not being able to feed her children during the days of famine and scarcity.

In different countries, women still face many barriers to economic, social and political opportunities. In many countries, they face legal discrimination. They are not treated as equal to men, whether in property rights, rights of inheritance, laws related to

marriage and divorce, or the rights to acquire nationality, manage property or seek employment. For many women, life is shadowed by a threat of violence – both physical and psychological.

For all these reasons, credit is much more significant for women than men. With credit, poor women turn out to be better fighters. The most distinctive feature of the Grameen Bank is that 95 percent of its borrowers are women. As at August 1998, out of a total of 2,357,153 borrowers, 2,232,905 were female. Thus Grameen Bank has virtually become an exclusively female-based organization in Bangladesh (Wahid, 1999). At the outset, Yunus set a goal that half of the borrowers would be women. He explains that the banking system not only rejects poor people, it rejects women for not even one percent of their borrowers are women. He soon discovered that women were good credit risks, and good at managing family finances. The UN estimates that women made up 76 percent of microcredit customers around the world, varying from nearly 90 percent in Asia to less than in the Middle East (Boudreaux and Cowen, 2008).

Many microfinance programmes have been specifically targeting women as their clients since the beginning of 1990s. There are several reasons for that. Many believe women are among the poorest and most vulnerable in society and therefore the segment of the population that would benefit the most from microfinance (Bayulgen, 2008 and Mohammed and Hasan, 2008). Rutherford (1995) gives the following reasons for targeting women in Bangladesh: (a) accessibility (being at home during working hours), (b) more likely to repay on time, (c) more pliable and patient than men, and (d) cheaper to service (as mainly female staff can be hired).

In 2005, according to the World Bank, 16.1 percent of the world's population lived on less than one US dollar a day (which corresponds to absolute or monetary poverty) and 57.6 percent lived on less than 2.5 US dollar a day. According to the Microcredit Summit 2005, women represent 70 percent of individuals living on less than one US dollar a day. Not only do women represent the major part of the poorest individuals, but in addition, they are also the most vulnerable (Dobra, 2011).

In the seventies it was noticed that a large number of poor, especially rural women, were not benefiting from anti-poverty strategies. The investments into community development and agriculture did not always reach those that needed it the most (Greeley, 2003).

2.2.10 Reasons for women disproportionate representation in Microfinance clientele

Women constitute greater proportion of client base of most microfinance providers. Ehigiamusoe (2008), has the following reasons for this: Many practitioners are of the opinion that female clients exhibit better credit discipline than their male counterparts and therefore microfinance institutions seek them. Also, that women could be easily intimidated to comply with repayment undertaking. Women have excellent loan repayment performances. Other reasons include the high degree of deprivation of women. There are very few societies in developing countries where women are treated as good as men. Customs, religion, and traditional practices in some cases ascribe low social status to women. They do not have land and other valuable assets acceptable as collateral security for institutional credit. Women do not have access to information on credit opportunities in the mainstream financial system. Frustrated at this form of exclusion, and scared of the usually high rate of interest on moneylenders' funds, they turn to microfinance institutions. Another reason is the nature of business activities in which women are engaged in. Women entrepreneurs tend to undertake business activities which are usually supported with small loans, such as subsistence farming, trading, food vending, tailoring, basic craft, hair salon and other economic activities. It is also believed that when a woman's earning capacity increases, the entire household, especially, the children benefit more than when that of a man does.

2.2.11 Microfinance and Women Empowerment

While microfinance programmes increase monetary incomes, they also tend to increase social capital, thanks to empowerment strategies. Empowerment corresponds to processes by which vulnerable individuals are endowed with power. Vulnerability characterizes the least advantage populations via material situation it imposes and also via the life experiences it provides (Narayan, et al., 2000). Empowerment allows equality of development, so that women's social status is

reinforced and they are able to engage in self and other actions which allow them to escape poverty. Empowerment is also defined as full and equal participation in all spheres of society, including decision-making and access to power (Guerin and Servet, 2005). Csazar (2004), articulates a typology of power articulated in terms of: power with; power to; power within; and power over. He concludes that agency of power, which constitutes empowerment within the individual sphere, is attained via microfinance programmes.

According to Leach and Sitaram, microfinance for women has been a popular poverty-alleviation strategy among development agencies since the mid-1980s. It has been considered an effective vehicle for women's empowerment. Support consists most typically of the provision of small loans, either to individuals or groups. Group loans are based on traditional rotating credit arrangements. This strategy has received large amounts of funding in recent years from the major development agencies and banks, with the World Bank committing US\$200 million in the mid-1990s to the programmes that support poor women entrepreneurs (Wolfensohn, 1995).

The rationale for providing women with loans has been that:

- ❖ Women are disproportionately represented among the poorest in the society and need more help than men in securing sustainable livelihoods.
- ❖ Women are discriminated against in the formal labour market and so are usually obliged to seek an income on the margins of the economy, in the informal sector.
- ❖ Women-headed households are on the increase as a result of economic recession, changing labour needs increasing urbanization and the break-up of extended family structures. In some male-headed households, women are the main source of income.
- ❖ Women-headed households are usually more vulnerable in times of crises, as they have fewer resources to draw upon.
- ❖ Studies show that the repayment rates on loans and contributions to family well-being are often higher among women than among men (Mayoux, 1999).

Hulme and Moore (2006), recognize the heroic contribution that the clients of MFIs have made. Millions of women have shown extra-ordinary agency and capacity to use MFI services, improve the well-being of their households, and repay their loans.

It is surmised that providing women access to affordable credit can empower them economically in the same manner as men, through enhancing their ability to invest in productive and physical capital as well as risky technologies, to avoid emergency sales of assets and usurious rates of interest, and to smooth consumption (Zeller et al., 1997). It is important to note that fostering women's role as the brokers of the health, nutritional, and educational status of her family, in particular that of her children, is also an important goal (Goetz and Gupta, 1996). Thus, women's participation in microfinance programmes has been considered instrumental, not only in terms of her own socio-economic well-being, but also, that of her family (Hulme and Moore, 2006).

It is generally believed that sustainable microfinance services can lead to women's individual economic empowerment by stimulating women's micro-enterprise development and leading to increased income under women's control. It is accepted that women's control over these resources, will lead to increased well-being: health, nutrition, literacy and housing. This will reduce mortality rate for women and their children (Schular and Hasbemi, 1994; MKNelly and Dunford, 1998; Pitt and Khander, 1998). Microfinance also enhances political empowerment to women (Hashemi et al., 1996; and Mayoux, 1999).

Some other studies argue that microfinance has a positive impact on the women (Rahman, 1986; Pitt and Khander, 1995; Kaber, 2001). The positive impact of microfinance on women empowerment was because joint decision making was interpreted as a positive impact (Rahman, 1986; Pitt and Khander, 1995).

One of the major contributions of microfinance is towards empowerment (Lakshmanan, 2001). As women's groups exclusively dominate SHGs, their empowerment both on the economic and social fronts is one of the greatest opportunities in the mainstream of economic activities. Opportunities for earning

through deposits and off-farm activities improve their disposable income (Namboodiri and Shiyani, 2001). Consequently, family incomes substantially increased. There are tremendous social changes too.

The women command more respect, get their due affection and rightful place in the family. Their involvement in family decisions has been substantially enhanced (Dadhich, 2001). The SHG has also become a platform for exchange of experiences and ideas beyond social participation by members, especially women (Tilekar et al., 2001).

2.2.12 Does Microfinance Actually Empower Women?

In recent years, doubts about the efficacy of microfinance as a vehicle for women's empowerment have arisen (Johnson and Kidder, 1999; Mayoux, 1999; Kabeer, 1998). Some argue that the faith placed in microfinance as a poverty-alleviation strategy has been grossly exaggerated (Hulme and Moseley, 1996; Buckley, 1996). Mayoux (1999) provides a strong critique of the naïve belief that microfinance by itself creates a virtuous spiral of economic, social and political empowerment, without it being considered necessary to develop explicit strategies to address other dimensions of poverty or gender subordination. She considers as highly simplistic the view that mere participation in a scheme is sufficient for women's empowerment. A number of studies in Bangladesh show that while for some women it may be empowering, for many others it is marginal both in economic and socio-political terms (Kabeer, 1998; Goetz and SenGupta, 1996, and Schuler et al., 1999). In some cases, it increases domestic violence.

Some studies have questioned how far microfinance benefits women (Goetz and Senguota, 1996). Some others argue that microfinance programmes divert the attention of women from other more effective strategies for empowerment (Ebdon, 1995), and the attention and the resources of donors from alternative, and possibly more effective means of alleviating poverty (Rogaly, 1996).

Donors like to see an immediate impact on empowerment and poverty but are at the same time concerned about the financial self-sufficiency of the intermediary. Funding for microfinance is increasingly dependent on progress towards financial self-

sustainability within a given time-frame. The cost cutting measures in microfinance programmes may have potential negative implications for poverty-reach and contribution to women's empowerment (Mayoux 1998, 2000 and Rahman, 1999). Even those donor agencies are becoming aware that this may limit the potential of microfinance for empowerment or poverty alleviation (Buckley, 1996; DFID, 1998, Rosenberg, 1998).

Mayoux (2009), articulates four basic views on the link between micro-finance and women's empowerment:

- ❖ there are those who stress evidence and are essentially optimistic about the possibility of sustainable microfinance programmes world-wide-empowering women;
- ❖ another school of thought recognizes the limitations to empowerment, but explains those with poor programme design;
- ❖ others recognize the limitations of microfinance for promoting empowerment, but see it as a key ingredient as important in themselves within a strategy to alleviate poverty, empowerment in this view needs to be addressed by other means;
- ❖ then, there are those who see micro-finance programmes as a waste of resources.

Using gender empowerment as an impact indicator, some studies argue that microcredit has a negative impact on women empowerment (Goetz and Gupta, 1994; Ackerly, 1995, Montgomery et al., 1996). Goetz and Gupta (1994), using a managerial control index as an indicator of empowerment, concluded that the majority of women did not have control over loans. While it was the women who were targeted by the programme, the men took over the management of the loans, hence negating the development of women who borrowed the money. Where the men failed or refused to pay, the women were forced to draw on their personal savings or sell household assets for loan repayment. This is the unfortunate scenario of having responsibility without control which in most cases degenerates to domestic violence against women. Evidence by Montgomery et al., (1996), suggests that for first time

female borrowers from microcredit programmes, only 9% had sole authority over funded projects; while 87% reported that the projects were managed as a family partnership. Whereas, for male first time loanee, 33% had sole authority over funded projects, while 56% were managed as family partnership. Interpreting family partnerships as disguised male dominance, the conclusion was that access to credit did little to empower women. Ackerly (1995), using accounting knowledge as an indicator of women empowerment, concluded that women were marginally empowered by access to credit. The women ended up being over-worked and fatigued, but with no control over the loans.

It has been questioned that given the above realizations in women empowerment via microfinance, why do practitioners continue to target them? Rogaly (1996), succinctly answers that it is not access for women rather women are accessible. Women have been found to be much better credit risks than their male relatives. In many countries women are relatively easy to locate as they work in home compound. Further, they are perceived to be more susceptible to repayment pressure; both in terms of the social network and training opportunities, they stand to lose. The social norms in which they operate make them easier to intimidate. This alternative rationale suggests that simply targeting women with microfinance does not necessarily imply that gender issues and gender relations have been adequately addressed (Johnson, 1999).

Based on the analysis of the opposing perspectives on gender and microfinance, Kabeer (1998), constructs a nuanced argument. She reminds of the importance of defining empowerment in women's own terms. She also highlights of the importance of the characters of individual women and men, as well as the circumstances of their poverty. She states how financial service will be delivered in determining the impact of credit upon investment choices, assets accumulation and household decision-making structures. In many cases, the household is conceived as a joint venture in which women and men have different rights and responsibilities in terms of assets control and decision-making. The idea of separate control over separate earnings may not be very useful in this context (Todd, 1996).

It is important to recognize that women's ability to use financial services in the way they wish can be both constrained and facilitated by the gender socio-economic relations that operate at the household level as well as in business and the local and national communities. There is extremely fine line between recognizing constraints on women's freedom of maneuver and re-enforcing the terms of those constraints by taking them as givens (Todd, 1996).

2.2.13 Muhammad Yunus and Grameen Bank

The journey of Muhammad Yunus and Grameen Bank began in 1976. Yunus was teaching economics in Chittagong University while famine raged in Bangladesh in 1974. Forty-two poor people in Jobra, a village next to the University he was teaching owed money lenders total sum of \$27. Unable to pay, the money lenders made life unbearable for them. Yunus gave them \$27 and bailed them from the clutches of the money sharks. He saw the big relief it registered on them and their families. He continued with the experimentation and determined to save many more of the poor from the slave-hood of the money lenders. He approached the conventional bank on the campus for assistance to the poor but it refused. Finally he convinced the bank to lend on his personal guarantorship. Several stages later, he converted the project into a formal bank, named Grameen Bank in 1983. Grameen means village. The Grameen Bank is owned by poor borrowers and works exclusively for them. As at 2003, borrowers of the bank owned 93 percent of the bank equity while the government owned the remaining 7 percent (Yunus, 2004).

Grameen Bank is guided by a set of philosophy which they call "principles". These principles according to Yunus (2004), are:

- ❖ Grameen believes that poverty is not created by the poor, but by the institutions and policies which surround them. In order to eliminate poverty, appropriate changes have to be made in these institutions or policies. Alternatively, new ones have to be created.
- ❖ Charity is not an answer to poverty. It serves only to perpetuate poverty and create dependency. It takes away the initiative of an individual to break

through the wall of poverty. The way to overcome poverty is to unleash the energy and creativity in each human being.

- ❖ The Grameen system is built on the belief that there is no difference in the ability of a poor person and any other person. The poor merely do not get the opportunity to explore their potential and so their abilities remain unutilized or underutilized. If they had the opportunity, they would be able to change their own lives.
- ❖ Grameen Bank developed a set of rules on the basis of this understanding and designed its credit delivery system accordingly. It sought to reverse policies that conventional banks applied, which created barriers to the poor. Conventional banks start with the principle that the more you have the more you can get, which provides a spring board for those who are already well off. Grameen principle has always been the less the person has, the higher the priority she gets.
- ❖ A central assumption underlying Grameen's system is the firm belief that poor people always pay back. For many of the borrowers, it is the first time that they are handling money; no one has ever trusted them with these sums of money before. For this reason they commit to pay back every penny. Many things can go wrong for a poor person, usually due to circumstances beyond his or her own control. Sometimes they may take longer to pay back, but repay they will.
- ❖ Lending to women brings greater benefits to the family than lending to men. If the mother is the borrower, the children are immediate beneficiaries. Women have greater long-term vision and are ready to bring about changes in their lives step by step. They are also excellent managers of scarce resources, stretching the use of every resource to the maximum. Grameen prioritizes women and today more than 96 per cent of its members are women (Yunus, 2004).

The bank believes that while providing small loans to the poor is an economic intervention, it begins a process of transformation in the life of individual member. A poor woman who took it for granted that she had no worth, starts to believe in her ability to improve her own life. She works hard to bring a host of positive changes in her life.

Members of Grameen Bank developed a social charter which reflects their aspirations. These they termed the Sixteen Decisions which become the platform around which the transformations of women's lives take place. The decisions include such things as sending and ensuring that their children stay in school, committing to build a good house for themselves; keeping families small; taking joint actions to help the community; not accepting and not giving dowry at weddings; drinking clean water; growing plants and vegetables; and keeping their children and environment clean (Yunus, 2004).

In the mid-1990s, the Grameen Bank was accused of having locked itself into a standardized model. Over the 1990s and early 2000s, the Bank and Professor Yunus have learnt and innovated a number of models. In 2001-2, the Bank launched itself into Grameen II with a promise to transform its services to clients. The new 'products' include flexible loans, voluntary savings and micro-pensions. Grameen Bank has also been innovating in other areas including mobile telecommunications, reported to be especially successful (Sachs, 2005).

According to Latiffee (2003), Grameen Bank is the pioneering institution in the field of poverty finance. As at 2003, it was serving 2.6 million borrowers with 95% as women. All its clients at the time of their first loans were among the poorest. Given the access to credit, they have an enabling environment to strive for better life to cross poverty line and to continue to improve.

The Grameen Bank credit programmes are designed and delivered to the recipients in a manner appropriate to their situation. The credit programmes are developed exclusively for the poorest of the poor. The potential borrowers do not need to go to the bank. The bank comes to their door-step. The bank staff completes all the paper work and related formalities and explains to the borrowers what to do and how to do

it. The only thing the borrowers are supposed to do is form a group of five co-borrowers according to their own liking. The Grameen Bank loan is an optional size for poor rural women (Wahid, 1999).

Chavan and Ramakumar (2002), argue that the relatively smaller scale of operation of Grameen Bank has been its greatest advantage in evading the problems encountered in a large-scale provision programme or institution.

Also, Hossain (1988) argues that the low default rates found in Grameen Bank have been confined to loans of very small size. He finds out that the default rates for the first-time and second-time borrowers were 0.4 and 1.2 percent respectively. For the third-time borrowers, the rate increased to 6.6 percent and in the case of the fourth-time borrowers, it further rose to 9.5 percent.

Rahman (1999) has argued that the prompt and regular repayment of loan installments by Grameen Bank borrowers has largely occurred through cross-financing from other informal sources of credit and not through the returns from the investment undertaken with the loan.

In the study in Madhupurthana, northern Bangladesh, Sinha and Matin (1998), found out that 94 percent of microcredit borrowing households in their village were also indebted to informal sources of credit. They concluded that there was a high level of cross-financing. This pushes Albee (1996), to query if credit projects are not creating a debt trap.

2.2.14 Is Grameen Bank model replicable?

According to Chavan and Ramakumar (2002), in relation to the expansion and replication of NGO-led microcredit institutions, two questions need to be answered. First, is the model of the microcredit set by Grameen Bank viable in Bangladesh itself after it expands its operation? In other words, can Grameen Bank, once expanded into a macro-level programme, avoid the drawbacks of a large-scale, credit-based poverty alleviation programme and institutionalize itself into a sustainable scheme for poverty alleviation?

For Osmani (1989) the issue is not how well the Grameen Bank has done so far it is how well this strategy is likely to work as a major anti-poverty programme once its scale is expanded many times. Secondly, is this model replicable in other countries as an effective programme for credit-based poverty alleviation?

Yunus (1998) unequivocally says that Grameen Bank model is not only replicable, but has been replicated in 58 countries in 4 continents. In all, there are 241 international programmes in countries as diverse as Nigeria, Tanzania, Kenya, China, Nepal, Indonesia, Sri Lanka, Papua New Guinea, France, Norway, Jamaica, Mexico, Colombia, Canada, and the United States.

The Grameen Bank's success story in the alleviation of poverty in Bangladesh has resulted in widespread attempts of its replication in many countries including the United States and Canada. The spread of the Grameen Bank idea around the world has drawn keen attention from researchers, policy makers and agencies interested in rural development (Wahid, 1994).

Muhammad Yunus and the Grameen Bank jointly won the 2006 Nobel Peace Prize for pioneering the provision of small loans to millions of poor people – also known as microcredit. The Norwegian Nobel Committee praised Yunus and the Bank for their efforts to create economic and social development from below and for providing an important liberating force in societies where women in particular have to struggle against repressive social and economic conditions (Dugger, 2006).

Boudreaux and Cowen (2008), are to tag Muhammad Yunus the godfather of microcredit.

The ideas and methods of the Grameen Bank have not simply diffused across Bangladesh; they have spread across the world. The global image of microfinance is shaped by Grameen Bank and there are at least 52 direct Grameen 'replicates' operating worldwide, including in the US. Professor Yunus' office has numerous photos of meetings with world leaders – Bill and Hillary Clinton take pride of place. He has received numerous international awards. When the media look for a poverty

reduction success story, they usually turn to Grameen Bank and/or an MFI influenced by the Grameen Bank (Hulme and Moore, 2006).

2.2.15 PREVIOUS PRO-POOR INITIATIVES IN NIGERIA

According to Aluko (2003), Nigeria, in 1978, was ranked by the World Bank as middle-income country with a per capita income of 1000 US dollars and on exchange rate of 2 US dollars to the naira. In 1990, the World Bank report showed that per capita income had declined to 290 US dollars and Nigeria dropped from a middle income to the 17th poorest country in the world in terms of per capita income. By 1996, Nigeria per capita income dropped to 280 US dollars (HDR, 1996). On a comparative basis, Nigeria is poorer than virtually all her neighbours (Aluko, 2003).

The problem of poverty in Nigeria has over the years engaged the attention of the government. Extensive economic reform programmes have been put in place. The results have been somewhat mixed. Aluko (2003) opines that in some cases, a modest growth has been achieved through the transition from a centrally-planned economic system to a market based strategy, but in virtually all cases the modest growth achieved has not translated into any significant improvement in poverty.

In her efforts towards alleviating poverty in the country, Nigerian government has at different times adopted various initiatives.

To support the cooperative, the government promulgated the Cooperatives Societies Ordinance in 1936. All types of cooperative have regular/compulsory savings by members as one of their goals, while thrift and credit societies combine regular savings of members with lending.

The Nigerian Agricultural and Cooperative Bank (NACB) was established in 1973. This acted like a development finance institution (DFI) in extending loans for agricultural development to both small and large-scale farmers and to state governments for on-lending to farmers.

Then in 1976, government set up the Agricultural Credit Guarantee Scheme Fund (ACGSF). The fund was designed to reduce the risk involved in agricultural lending

by banks by guaranteeing up to 75% of the principal in the case of default due to natural events beyond the control of the farmers.

The National Directorate of Employment (NDE) was established in 1986. It was designed to create self-employment for people with vocational skills and therefore combat mass unemployment. Its arms were: Small Scale Industries (SSI), Agriculture and Youth Employment and Vocational Skills Development.

The Nigerian Bank for Commerce and Industry (NBC) was established in 1973, to provide financial services to indigenous business community, particularly small and medium institutions (SMIs). The NBCI administered the SMI World Bank Loan Scheme of US\$41 million secured in 1984 (Akinboyo, 2007).

The Family Economic Advancement Programme (FEAP) was established in 1997 with the responsibility for providing the capital and indigenous equipment to cooperative societies and run productive micro and small enterprises.

While the Directorate of Food, Roads and Rural Infrastructure (DFRRI) was set up to finance the construction and rehabilitation of rural infrastructure (roads, water, dams, rural electrification, etc.).

Then came the Rural Banking Programme (RBP). This programme required the deposit mobilizing banks (DMBs) to establish a specified number of branches in identified locations. The idea was to drive banking services to the rural areas.

The Supervised Credit Schemes of the various state governments enabled them grant loans to the poor for small-scale enterprises such as farming, small-scale manufacturing, etc. The loans carried highly subsidized interest rates.

The People's Bank was established in 1989 as a deposit taking and lending institution for the poor. It operated through both urban and rural branches. Boggled down by bureaucracy, it did not make much impact.

The Community Banks were licensed in the 1990s. They were conceived as unit branch, community-owned institutions, providing non-sophisticated banking services to rural residents. The incentive from the government was 100% matching grant for a community raising the minimum capital of ₦250,000.

The Better Life Programme (BLP) was established to alleviate rural poverty, particularly among women, while Family Support Programme (FSP) meant to provide social and welfare services to the family in order to improve their living standard.

The Nomadic Education Programme (NEP) was established to raise the literacy level among the nomadic groups.

The National Poverty Eradication Programme (NAPEP) was established to eradicate poverty in the country.

The CBN in 2005 launched the Microfinance Policy Framework for the country. This has however been revised in April 2011. The objectives of the programme included linking the deposit mobilizing banks and development banks with microfinance banks; enhanced financial service delivery by the microfinance institutions to small, micro, and medium entrepreneurs (SMMEs) and making financial services available to a large segment of potentially productive Nigerian population which otherwise would have little or no access to financial services.

In spite of all these pro-poor initiatives, and more that were not mentioned, the country rated the seventh world largest exporter of crude oil, ranks 158 out of 177 countries in poverty ranking in the world (Yahaya, et.al; 2011).

Several reasons have been given for the failure of these institutions and programmes to ameliorate the poverty level in the country. Aluko (2003), holds some of these reasons to include the fact that some of the functions of these institutions and programmes have been duplicated leading to unnecessarily plurality of interests and influence. In some cases, the implementation agencies have been wrongly identified and as such, roles and functions have been wrongly allocated.

In some cases, there is non-existence of the right or appropriate implementation agencies, thus creating gaps in the implementation trend. Poor management, poor accountability, high level of corruption and dishonesty, pursuit of parochial interest, poor and wrong staffing make the list.

Added to the above are the comatose energy sector (forcing some manufacturing companies to close shops and relocate to other countries), poor transportation network and high level of insecurity occasioned by kidnapping, robbery and Boko Haram insurgency.

This study aims to offer recommendation on some of the above.

2.3 Empirical Review

2.3.1 Introduction

Argument in favour of microfinance being a mechanism for reducing poverty have been made and there is strong opinion that the productive base of the poor will improve if given access to credit which will in turn enhance income growth (Montgomery and Weiss, 2005). In general, access to credit by the poor will improve their social networks, serve as cushion against unforeseen events and enhance consumption smoothening. In other words, the availability of credit will help the poor to meet promotional (income creating) and protectoral (consumption smoothening) purposes (Idohor and Imhanlahimi, 2011). Attempts had been made to assess both the depth and breadth of outreach of microfinance programmes, their accessibility to the clients and the cost of doing so. Several tools had been used to measure different forms of impact and several empirical studies have been undertaken in this direction using a mixture of qualitative and quantitative econometric tools.

In Asia region, the impact studies have been carried out by Hulme and Mosley (1996), Chen and Snodgrass (2001), Coleman (2004), Park and Ren (2001), Duong and Izumida (2002), Amin et al. (2003), Gertler et al. (2003), and Khandker (2003). In the Latin American region, the logit, longitudinal model have been undertaken by Hulme and Mosley (1996), Mosley (2001), Dunn and Arbuckle (2001) and McNelly and Dunford (1998). All through, the common procedure had been a mix of both qualitative and quantitative methods of analysis.

Hulme and Mosley (1996), applying ‘borrowers and controls samples, before and after’ find growth of incomes of borrowers always exceeds that of control group. Indonesia, India Bangladesh and Sri Lanka were areas covered.

McNelly et al. (1996), covering Thailand and using non-participants in non-programme villages as controls, find positive benefits but no statistical tests for differences reported.

Khandker (2003), working in Bangladesh and applying two methods: (1) Fixed effect Tobit estimation of borrowing dependent on land education endowments of households and (2) Panel data fixed effects estimation to define long term impact of microfinance borrowing on expenditure, non-land assets and poverty finds that households who are poor in land holding and formal education tend to participate more. Microfinance helps to reduce extreme poverty (18 percentage points as compared with 8.5 percentage points 7 years earlier). Welfare impact is also positive for all households, including non-participants, as there are spillover effects (Khandker, 2003).

Dunn and Arbuckle (2001), covering Peru, and adopting longitudinal study use analysis of covariance methodology; control group, based on non-participants with similar observable characteristics to participants. They focus on micro-enterprises. Their findings are that micro-enterprises of participants have substantial increase in net income, assets and employments relative to those of non-participants. There is also positive impact on poverty reduction in the participating households relative to others. They are however differed results reported by some researchers. Coleman (2004), working in Thailand applies double difference estimation between participants and non- participants and villages with and without microfinance programmes reports that the impact is larger on richer than on the rank-and-file members. Also Mosley (2001) who works in Bolivia and Bancosol, with the aid of time series data records no evidence of impact on extreme poverty.

In their own study, in Bolivia, McNelly and Dunford (1999) applying longitudinal study of comparison with baseline for nutritional data, report no evidence of improvement in household food security or nutritional status of client’s children, relative to the control group.

The impact of microfinance on the clients is a mixed grill in various jurisdictions.

2.3.2 Microfinance in Some Climes

We shall have a study of microfinance operations in some countries of the world with emphasis on the poverty endemic regions of the continents.

2.3.2.1 Bangladesh

In 1971, Bangladesh emerged as an independent nation, ravaged by war and natural disaster, populated by destitutes and a significant cadre of young activists full of hope, energy and commitment to reconstruction and nation-building (Hulme and Moore, 2006).

Bangladesh is the world's most density populated country with an estimated population of 140 million. About 18.7 percent population of this land-starved country is ultra poor or hardcore needing to spend more than 80 percent of their income on food. Often even 100 percent of their income is not enough to get two square meals a day (Khan, 2007).

The vulnerability of the ultra poor of this country is further accentuated by repeated floods and other natural calamities. A large number of the hard-core poor are widowed, divorced or abandoned women. They rarely own land or have any male earning member in their families. With no bread earner, asset and source of income, they have no choice but to work in other peoples' houses for very nominative wage or resort to begging for their survival (Haque and Yamao, 2009).

According to Hulme and Moore (2006), as the new government failed to meet the substantial challenges, even with the overseas assistance, small non-governmental organizations (NGOs) emerged in 1970s to organize relief and rehabilitation through community development. The Grameen Bank was started as an action research project in 1976, when a Chittagong University team led by economics professor, Mohammad Yunus began to lend small amounts of money to poor households in a few nearby villages. Borrowers were organized into small peer monitoring groups of four or five people who meet weekly for the repayment of the loan. Demand for credit grew rapidly and repayment rates were good, so the project was able to secure loans for on-lending from the State-controlled Bangladesh Bank and other commercial banks. In 1984, the Grameen Bank became a government-regulated bank

through a special government ordinance and remains the only body regulated in this way.

Over the next two decades, NGOs grew in number and scale in Bangladesh. By the early 1990s, they included: Bangladesh Rural Advancement Committee (BRAC), Proshika, and the Association for Social Advancement (ASA). Others are BURO Tangail and Safe Save (Hulme and Moore, 2006).

There are close to 1000 NGO-MFIs with microcredit services operating in more than 40,000 villages in Bangladesh. The growth in the Microfinance Institutions (MFIs) in terms of number of NGO-MFIs as well as membership, was phenomenal during 1990s and continues till today. The effective coverage of MFIs stands at 10.05 million and that covers around 37% of all households in the country. This covers more than 8 million poor households (Ahmed, 2006).

Microfinance has been accepted to bring development in Bangladesh (Hulme and Moore, 2006). Bebbington and McCourt (2005) define development policy success as the tangible enhancements of the human capabilities of a significant population of otherwise disadvantaged people, whether through direct investments and improvements in their assets or through the improvement of the environments in which poor people pursue their well-being. It is clear, they conclude that microfinance in Bangladesh at least reaches a significant population of otherwise disadvantaged people – people with low and unstable incomes, little or no land or assets, low social status, and few if any, alternative sources of financial services that are both accessible and affordable.

Most MFIs except those run by government bodies consistently report repayment rates of 98% or more in Bangladesh (Hulme and Moore, 2006). The unsettled question however has been the extent poor Bangladesh have economically benefited from their enhance access to microfinance.

However, Mayoux (1995) believes that microfinance does have a positive economic impact on clients in terms of income growth and vulnerability, although the effects are often small and all clients do not benefit equally.

The success story and replication of Bangladesh microfinance model have made Begum Khaleda Zia, their former Prime Minister quip that they have received a lot of things from the international community but they have given the model of microcredit to the world (in Hulme and Moore, 2006).

Even the statement that MFIs run by government bodies are no success stories is challenged by Palli Karma-Sahayak Foundation (PKSF) of which Shahiduzzaman (1999) says, if any person thinks a state-run organization is always doomed to fail, that person is wrong. He advises that that person looks at Palli Karma-Sahayak Foundation.

But not everyone in Bangladesh or beyond is happy with the microfinance paradigm. In some cases, the entire microfinance approach to poverty alleviation has been criticized, often from a neo-Marxist perspective, in terms of its focus upon the market and poor people's financial liquidity rather than on the socio-economic structures that underlie poverty (Mayoux, 1995). Others note that the very success of microfinance as an industry in Bangladesh is based on its failure to challenge the foundations of class structure and patriarchy, and that the home-based self-employment often emphasized by MFIs, limit the potential for people to escape poverty and marginality (Goetz and Gupta, 1996). A handful of Bangladeshi NGOs, such as Nijeta Kori, have maintained their commitment to fostering radical movements through awareness-building and mobilization against instances of injustice and barriers of access to public entitlements – without recourse to providing microcredit (Kabeer, 2002). Hulme and Mosley (1996) have highlighted the overall lack of knowledge about those for whom microcredit is just micro-debt: loan defaulters and programme dropouts. An increased understanding of these groups has facilitated innovations in financial services for the poorest that emphasize flexibility, savings and the central role of assets (Matin and Hulme, 2003).

Hulme and Moore (2006), acknowledge that there have been failures among Bangladesh MFIs. These include the collapse of Gano Shahajyo Sangstha (GSS), a large NGO-MFI. They posit that it is clear from fieldwork that an unknown number of poor people have suffered because of bogus NGOs. In such cases, tricksters

establish savings groups with promises of loans once people have built up a savings fund. However, before the loans start, the organizers disappear with the group's savings.

In the study conducted by Hulme and Moore (2006), they concluded that microfinance has been a policy success in Bangladesh. This has been probably the case in other places, but nowhere else is the evidence so clear. This is a firmer conclusion that they reached independently in studies eight to ten years ago.

2.3.2.2 India

Shastri (2009), opines that a number of studies in India began with the All India Rural Credit Survey in 1954. The survey found out that the rural poor had high levels of indebtedness and very limited bank access. The State Bank of India was set up in 1955 as facilitator to provide banking services to the poor population. With the nationalization of the 14 large commercial banks in 1969, the National Bank for Agriculture and Rural Development (NABARD) was created in 1982.

Shastri (2009), further says that a lot of cooperative banks and regional rural banks were created primarily to cater for the need of poor population in India. Total requirement of microcredit in the country has been assessed at Rs 50,000. The microcredit program works through NGOs/SHGs.

According to Chavan and Ramakumar (2002), there are certain fundamental differences between the current policy on microcredit in India and that in other developing countries, such as Bangladesh.

Contrary to the Grameen – type models tried out in other countries, Indian banking policy has attempted to involve the public banking network in the provision of microcredit to the poor through self help groups (SHG). Nabard (1984) refers to the Indian policy on micro-credit as relationship banking against parallel banking in other countries. Public banks adopt the approach of group lending and peer monitoring for lending to the SHGs. Jayaraman (2001), identifies three variants that differ the policy in the mode of linkage between the banks and borrowers. In variant I, the public bank acts as a self help group promoting institution (SHPI), takes initiatives in forming the groups, nurtures them over a period of time and then, provides credit to them after

satisfying itself about their maturity to absorb credit. In Variant II, public banks and borrowers (SHGs), are linked through facilitating agencies, which are either NGOs working locally or government agencies. It differs from variant I as the formation and nurturing of the SHGs is the responsibility of the facilitating agency. Direct loans are provided to the group after the banks gain confidence about the viability of lending to the group.

In Variant III, both the facilitating and intermediating functions are played by the NGOs. The functions of forming groups, nurturing them and providing credit to them are performed by NGOs, while banks confine themselves to providing credit to NGOs. According to Nahard, this variant is practiced in regions where the banks are not in a position to even finance SHGs promoted and nurtured by other agencies.

Among the three variants, variant II has been the most numerous (Puhazhendi and Satyasai, 2000). Nearly 70 percent of all the SHGs were of the kind of variant II, while 16 percent and 14 percent of the groups belonged to variants III and I, respectively.

A 2005-2006 survey of India's leading 15 MFIs, shows the industry's strength in both size and growth as shown by the table below:

Table 2.1
Outreach by Asian Countries (in terms of persons)

<i>Bangladesh</i>	<i>Cambodia</i>	<i>Pakistan</i>	<i>Philippines</i>	<i>India 2004</i>	<i>India 2005</i>
<i>300,000- 350,000</i>	<i>0-50,000</i>	<i>0-50,000</i>	<i>0-50,000</i>	<i>50,000- 100,000</i>	<i>150,000- 200,000</i>

Source: Microfinance Information Exchange (in Shastri 2009) Inc 2005 Benchmarks. All observations are medians for MFIs in 2004-05 Benchmark.

As observed by Shastri (2009), while MFIs globally and within the region average less than 20,000 clients per institutions, well managed India microfinance institutions already ranked top in outreach, despite their relative young age; with nearly a decade

more experience, only Bangladeshi institutions reach more borrowers. Indian institutions top the charts of all 78 countries surveyed in 2005 for their phenomenal growth rates. Five of the top 20 fastest growing MFIs in 2005, were Indian, from a survey of nearly 450 institutions worldwide (Shastri, 2009).

Shastri (2009) concludes that the scheme of microfinance has been found as an effective instrument for lifting the poor above the level of poverty by providing them increased self-employment opportunities and making them credit-worthy in India. The microfinance in the country has reached at top point similar to Bangladesh.

2.3.2.3 Sierra Leone

Sierra Leone is a rural economy with over 75% of the people residing in the rural areas, dependent on subsistence agriculture and micro enterprises. The majority of the rural people are micro-entrepreneurs, or small-holder farmers or both. It is acknowledged that these people lack access to basic education and health facilities, operate small parcels of land, have low dependency ratios, and have low income per capita. They lack market opportunities, thread deplorable roads, lack communication and efficient source of energy. Above all, they lack financial services beyond those offered by family, relatives, friends, usurious moneylenders and diverse traditional financial intermediaries such as the rotational savings and credit associations (ROSCAs) locally known as osusu, thrift and credit societies and other informal savings and credit schemes (Conteh & Braima, no date).

Empirical reports indicate that these poor households/small-scale enterprises/small holder farmers are credit-worthy, can save and repay loans as the myriad of osusu groups, arrangements between friends and relatives, repayment records and other networks have shown (Conteh, 1995).

Moves to create the necessary avenues for the provision of credit to these households/farmers/entrepreneurs proved elusive. A number of attempts by the government of Sierra Leone to encourage commercial banks to service the other segments of the population, including schemes under the Development of Industries Ordinance and other measures instituted by the Central Bank, such as Credit Guarantee Scheme, have had mixed results.

According to Conteh and Braima (no date) the specialized development finance institutions that were created to provide access to financial services for rural entrepreneurs and rural population in general, functioned below expectations and are unable to provide cost-effective services demanded by the target groups. Other institutions have emerged among them, the Community and Rural banks and the National Commission for Social Action (NaCSA) microfinance window.

There are numerous groups of providers of microfinance services in Sierra Leone. These include: private traders, cooperatives and various NGOs, like Association for Rural Development (ARD), American Refugee Committee (ARC) Christian Children's Fund (CCF), Sierra Leone Indigenous Business Association (SLIBA), and Promoting Initiatives for Micro-Enterprise Development (PRIMED) (Kool & Tucker, 2003).

The National Microfinance Policy was formulated by the Sierra Leone government to among others, regulate and coordinate the framework of microfinance service providers.

Conteh and Braima (no date) believe that formal financial markets (FFM) have not met and are not meeting the needs of small farmers/rural residents. On the other hand, informal financial markets (IFM) continue to operate successfully in many rural areas, providing rural residents with vital resources and services. Such resources and services include loans (often non-collateralised), inputs (on loan) output marketing outlets and many other social services which formal sources are incapable of handling. They posit that the informal sector has been providing significant contributions to the economy and has tremendous potential for greater contributions to economic growth.

In this regard, Pattern and Rosengard (1992) suggest that emulation instead of elimination of the informal financial system, and complementing instead of supplementing should be the strategy for policy makers in efforts to develop the formal financial sector.

The framework for sound microfinance institutions (MFIs) in Sierra Leone include:

- ❖ increasing transparency and the role of market forces,
- ❖ limiting distortions created by official safety nets,
- ❖ controlling risk through regulatory and supervisory oversight,
- ❖ strengthening the broader structural framework,
- ❖ fostering national and international supervisory coordination (Conteh and Braima, no date).

2.3.2.4 Uganda

According to Okurut et al. (2004), the issue of the importance of improving access to the poor was identified as a key development strategy right from 1960s. The formal banks that were inherited from the colonial government were judged to be serving the trade sector and neglecting the agricultural sector that was the backbone of Uganda's economy employing over 80% of the population, especially in the rural sector. This motivated the government to set up state owned banks whose mandate included among others to provide credit to the rural sector including agricultural credit. This was under the policy of sectoral allocation of credit and controlled interest rates which were administratively fixed by the Central Bank (Muwanga, 2000).

The controlled interest rate policy and credit allocation policy were later dubbed as financial repressive policies contributing to the inefficiency of the financial sector as observed by Okurut et al. (2004) and the financial sector reforms which were implemented in the 1990s were intended to redress these problems. The financial sector reforms included liberalization of interest rates, removal of all forms of credit allocation, the privatization of state owned banks, design of appropriate banking laws, strengthening the independence and capacity of Bank of Uganda. The consequences of the financial sector reforms was the closure of some distressed banks, the closure of loss making rural branches of the re-structured public sector banks which ultimately created a financial services gap especially in the rural areas (Bategeka, 1999).

The microfinance institutions that were either local or foreign non-Government Organisations (NGOs) came in to fill the gap created by the closure of banks. These

NGOs, with mission statements targeting the poor, provided mainly credit in cash as opposed to previous interventions that provided inputs.

A number of stakeholders (such as UNDP, USAID, and EU) have been working to develop the microfinance sector either through provision of technical support and capacity building, or through provision of funds for on-lending to the clients. The rationale for these efforts that focus on development of the microfinance sector is on the argument that poverty can only be alleviated in a sustainable manner if the institutions that provide to the poor are themselves sustainable.

Poverty is observed to be declining over time in Uganda. The percentage of the poor living below the poverty line fell from 56% in 1992 to 44% in 1997, and 35% in 2000 but rose to 38% in 2002. Poverty in Uganda is mainly a rural phenomenon, with 96% of the poor living in rural areas in 2000 (MFPED, 2001). To reduce the rural-urban income gap, the Poverty Eradication Action Plan (PEAP) emphasizes among other things the strategic improvement of access to credit by the poor through the microfinance sector.

According to Navajas (2000), the professed goal of microcredit is to improve the welfare of the poor as a result of better access to small loans. Diague and Zeller (2001) argue that lack of adequate access to credit for the poor may have negative consequences for various household level outcomes including technology adoption, agricultural productivity, food security, nutrition, health and overall welfare.

As state by Okurut et al. (2004) many MFIs in Uganda started as NGOs with missions and objectives for poverty eradication, social development and economic empowerment for poor communities. In general terms, MFIs operated outside the regulatory framework of the Financial Institutions Statue 1993, though they provided both savings and credit services. A consultative process was put in place to design the regulatory framework for the microfinance sector. The key players in the consultative process included the Bank of Uganda, the microfinance practitioners, the policy makers and the development partners. The MDI Act (2003) was subsequently enacted by parliament and promulgated into law in May 2003.

The sustainability issue concerns the ability of MFIs to sustain their operations without undue reliance on donor funds which are not sustainable. The challenge here is that most MFIs have hitherto been reliant on donor grant funds to subsidize their operations. The policy change therefore focuses to ensure that MFIs have sustainable growth to guarantee continuity of access to financial services to the poor, thus increased outreach (Okurut et al. 2004).

One of the outcomes of the financial sector reforms was the collapse of some of the weak banks such as Greenland and Cooperative Bank. This created a gap in the financial services especially in the rural areas. The restructuring and divestiture of Uganda Commercial Bank led to the closure of most of the unviable rural branches. The MFIs stepped to provide savings and credit services to the underserved population.

Microfinance in Uganda enables low-income people access financial and non-financial services. As a discipline, microfinance has created financial products and services that are packaged in a manner that enables low-income people who are unable to access formal financial services to access comparatively small loans, saving schemes and other services for working capital and income-generation. These small income earners and users of microfinance services sometimes later graduate to be clients of larger financial intermediaries. Therefore, MFIs provide a stepping-stone for the poor to access informal and formal financial markets and to use microfinance services to bridge cash gaps in their work systems.

By linking credit to savings in their lending methodology, the MFIs inculcate a culture of saving among the clientele. The clients are required to save upfront an amount proportional to the size of the required loan which varies across MFIs (ranges from 10% - 30%). Savings play a critical role in the development process for financing investments.

The emergence of the MFI sector in Uganda also provides opportunities for deepening the financial sector through linkages with formal sector. Such linkages could entail the formal banks providing wholesale credit funds to the MFIs who in turn on-lend to small clients. Through such arrangements, the formal banks will take advantage of

low transaction costs of informal sector lenders and their knowledge of the clientele to minimize default risk (Stiglitz, 1990).

These are considered as some of the achievements of microfinance as an instrument of poverty alleviation in Uganda.

2.3.2.5 South Africa

Widespread poverty continues to be distressing characteristics of the South African economy (Sheraton, 2004). The poverty is concentrated among Africans (61%) and female-headed households (60%). South African's financial sector reflects the legacy of the apartheid era. The dichotomy that was created between the formal and informal economy, extended to the financial market. Financial services are available to formally employed salaried workers but the majority of South Africans (particularly in rural areas), have little, or no access to financial services for small savings accounts (Ahmed, 2002).

According to South African Reserve Bank (1996), 60% of South Africans do not have access to formal banking. Of the 40% that have access to formal banking services, very few from previously disadvantaged communities have access to credit through the formal banking system. The South African Labour Bullin, February 1999, put the number of South Africans living below the R301 poverty line at 53%.

The lack of adequate financial services for a large majority of the population according to Sheraton (2004), has led to the emergence of numerous microfinance institutions. The Microfinance Regulatory Council (2001) estimated the informal sector in South Africa to be R13 billion industries.

The different segments of microfinance industry in South African are:

- ❖ Formal registered firms, which include commercial banks, financial institutions, not-for-profit enterprise lenders, developmental lenders and short-term money lenders.

- ❖ Semi formal money lenders, including small unregistered money lenders who are not doing it as their main livelihood and pawnbrokers.
- ❖ Purely informal money lenders such as the township money lenders, (mashonisas), stokvels, burial societies and ROSCAs (Sheraton, 2004).

For the poor consumer, access to credit has largely been through: stokvels, (Rotating Savings and Credit Associations – ROSCAs), credit unions, credit-granting NGOs, village banks, friends and family retail outlets, pawn shops and money lenders (Marsh and Saran, 1999).

Based on the information supplied by the Microfinance Regulatory Council which put 21% and 24% on consumption finance and emergency finance respectively of average loan purpose, Meagher and Wilkinson (2001) state that there appears to be a difference of loan purposes between South African micro loan clients and those of other developing countries. They argue that generally, microfinance clients use loans to enhance their labour inputs to generate income, or a seed capital for micro enterprises. On the contrary, loan use in South Africa tends to be dominated by the purchase of durable goods for home, education costs, or to satisfy emergency liquidity needs such as family illness or death or other income generating purposes.

The South African Department of Trade and Industry (DTI) has the mandate to support the microfinance sector. In regulating the sector, the South African Reserve Bank came up with two important legislations, the Usury Act and the Banks Act. The Usury Act of 1991 (as amended in 1991) is supposed to protect borrowers from exploitation and serves one of the major goals of regulation, namely consumer protection.

In response to the growing money lending industry in South Africa, in June 1999, the Minister of Trade and Industry approved the Micro Finance Regulatory Council as the official regulator of the micro lending industry with the following mandate:

- ❖ The promotion of the micro-lending industry
- ❖ Encouragement of sustainable growth in the industry

- ❖ Lending credibility to the industry
- ❖ Serve the unserved needs of South Africans who may not have access to credit by formal banks
- ❖ Protection of consumers rights to unfair business practices by lenders and
- ❖ To educate consumers and lenders about their rights and obligations (Sheraton, 2004).

Sheraton (2004) posits that the microfinance industry in South Africa is one which is expanding rapidly in size and is also one which the government recognizes can contribute to growth and financial assistance to the unbanked.

2.3.2.6 Nigeria

Modern microfinance in Nigeria began as the visionaries work initiated by non-profit institutions to address poverty. In Akure, Chief Bisi Ogunleye started a pro-women initiative – Country Women Association of Nigeria (COWAN) while late Venerable David Ogbonna ran the Nsukka United Self-Help Organisation (NUSHO) in the early 1980s. Lift Above Poverty Organisation (LAPO) came on board in the late 1980s. Early funding for these institutions was provided by the Ford Foundations (Ehigiamusoe, 2008).

Various efforts were made by the government, non-governmental organizations (NGOs) and individuals to alleviate poverty in the country. According to Ogwumike (2001) poverty alleviation measures implemented so far in Nigeria focused more attention on economic growth, basic needs and rural developments strategies. The economic growth approach focuses attention on rapid economic growth as measured by the rate of growth in real per capita Gross Domestic Product (GDP) or per capita national income, price stability and declining through proper harmonization of monetary and fiscal policies. The basic need approach focuses attention on the basic necessities of life such as food, health care, education, shelter, clothing, transport, water and sanitation, which enable the poor live a decent life, while rural development approach focuses attention on the total emancipation of the rural sector.

Ogwumike (2001) further groups the strategy for poverty alleviation in Nigeria into three eras: pre-Structural Adjustment Programme (SAP) era, the Structural

Adjustment Programme (SAP) era and the democratic era. In the pre-SAP era, the measures that were predominant were the Operation Feed the Nation, the River Basin Development Authority, the Agricultural Development Programmes, the Agricultural Credit Guarantee Scheme, the Rural Electrification Scheme and the Green Revolution. In the SAP era, the following poverty alleviation measures were introduced: the Directorate for Food, Roads and Rural Infrastructures, the National Directorate of Employment, the Better Life Programme, the Peoples' Bank, the Community Banks, the Family Support Programme and the Family Economic Advancement Programme (FEAP). According to Uche(1997), an integral part of SAP was the deregulation of the banking system. Banking licensing policy was liberalized giving rise to proliferation of banks and other financial institutions. Between 1985 and 1992, for instance, the number of licenced commercial and merchant banks in the country increased from 40 to 120. Most of these new banks were no more than bureaux de change. A stiff competition from finance houses, unstable macroeconomic policies and poor management led to the collapse of several of these banks. In 1998 alone 26 banks were liquidated. Most of these failed banks were established after the adoption of SAP (Uche & Ehikwe ,2001). The democratic era witnessed the introduction of Poverty Alleviation Programme (PAP), designed to provide employment to 200,000 people all over the country (Yahaya et al. 2011). Added to the democratic era is the National Poverty Eradication Programme (NAPEP).

The practice of microfinance in Nigeria is culturally rooted and dates back several centuries. The traditional microfinance institutions provide access to credit for the rural and urban, low-income earners. They are mainly the informal Self-Help Groups (SHGs) or Rotating Savings and Credit Associations (ROSCAs) types. Other providers of microfinance services include savings collectors and cooperative societies. The informal financial institutions generally have limited outreach due primarily to paucity of loanable funds (CBN, 2005).

In order to enhance the flow of financial services in Nigeria's rural areas, Government of Nigeria has in the past initiated a series of publicly-financed micro/rural credit programmes and policies targeted at the poor. Among such programmes were the Rural Banking Programme, sectoral allocation of credits, concessional interest rate, and the Agricultural Credit Guarantee Scheme (ACGS). Others were the

establishment of the Nigeria Agricultural and Cooperative Bank Limited (NACB), the National Directorate of Employment (NDE), the Nigerian Agricultural Insurance Corporation (NAIC), the Peoples Bank of Nigeria (PBN), the Community Bank (CBs) and the Family Economic Advancement Programme (FEAP). In the year 2000, Government merged the NACB with the PBN and FEAP to form the Nigerian Agricultural Cooperative and Rural Development Bank Limited (NACRDB) to enhance the provision of finance to the agricultural sector (CBN, 2005).

Microfinance services, particularly those sponsored by government, have adopted supply-led, subsidized credit approach mainly directed to the agricultural sector and non-farm activities, such as trading, tailoring, weaving, blacksmithing, agro-processing and transportation. Although, the services have resulted in an increased level of credit disbursement and gains in agricultural production and other activities, the effects were short-lived, due to the unsustainable nature of the programmes.

The CBN (2005) states that since the 1980s, Non-Government Organisations (NGOs) have emerged in Nigeria to champion the course of the micro and rural entrepreneurs, with a shift from the supply-led approach to a demand-driven strategy. The number of NGOs involved in microfinance activities has increased significantly due largely to the inability of the formal financial sector to provide services needed by the low income groups and the poor, and the declining support from development partners amongst others. The NGOs are charity, capital lending and credit-only membership based institutions. The NGOs obtain their funds from grants, fees, interest on loans and contributions from their members. Incidentally, they have limited outreach due, largely to unsustainable sources of funds.

To address the mirage of problems confronting the operation of microfinance in the country, the CBN in 2005 came up with the Micro Finance Policy, Regulatory and Supervisory Framework for Nigeria.

The Microfinance policy provides a platform to achieve the following specific objectives:

- ❖ Provision of timely diversified, affordable and dependable financial services to the economically active poor;
- ❖ Creation of employment opportunities and increase the productivity and household income of the active poor in the country, thereby enhancing their standard of living;
- ❖ Promotion of synergy and mainstreaming of the informal Microfinance sub-sector into the formal financial system;
- ❖ Enhancement of service delivery to micro, small and medium enterprises (MSMEs);
- ❖ Mobilisation of savings for intermediation and rural transformation;
- ❖ Promotion of linkage programmes between microfinance institutions (MFIs), Deposit Money Banks (DMBs), Development Finance Institutions (DFIs) and specialized funding institutions;
- ❖ Provision of dependable avenues for the administration of the microcredit programmes of government and high net worth individuals on a non-recourse basis; and
- ❖ Promotion of a platform for microfinance service providers to network and exchange views and share experiences.

In appreciation of the need and importance of the Microfinance sub sector, the CBN on 22nd January, 2009, organized the 3rd Annual Microfinance Conference and Microfinance/Entrepreneurship Awards.

In the keynote address by the then Vice President of Nigeria, Dr. Goodluck Ebele Jonathan, he stated that the commitment of their administration to improve the living standards of our people, as well as their economic empowerment is amply demonstrated by the launching of the ₦50 billion Micro Credit Fund in February

2008. There are also the implementation of the Financial System Strategy 2020 (FSS 2020) and increased budgetary provisions for poverty alleviation programmes. These initiatives, the Vice President added, are targeted at improving access to financial services by the majority of Nigerians, especially, at the grassroots, and will no doubt enable them contribute to the economic growth and development of the nation. He had earlier acknowledged that access to financial services, including credit, is globally recognized as a powerful tool to move people out of poverty and into economic prosperity (The Nigerian Microfinance Letter, 2009).

Microfinance Banks in Nigeria have set out goals. The CBN (2005) articulates that the establishment of microfinance banks has become imperative to serve the following purposes:

- ❖ Provide diversified, affordable and dependable financial services to the active poor, in a timely and competitive manner, that would enable them to undertake and develop long-term sustainable entrepreneurial activities.
- ❖ Create employment opportunities and increase the productivity of the active poor in the country, thereby increasing their individual household income and uplifting their standard of living.
- ❖ Enhance organized, systematic and focused participation of the poor in the socio-economic development and resource allocation process.
- ❖ Render payment services, such as salaries, gratuities, and pensions for various tiers of government (Microfinance Policy, Regulatory and Supervisory Framework for Nigeria, 2005:12).

2.3.3 GENERAL EMPIRICAL REVIEW

According to Pham and Lensink (2008), theoretically it is unclear whether microfinance really helps to reduce poverty. Therefore empirical studies need to provide more evidence on the impact of microfinance. Surprisingly, there are only a few solid empirical studies available on the possible effects of microcredit. Most empirical studies suffer from being anecdotal and case study driven. Also some of the cases of the empirical studies are published in established referred international scientific journals and so it becomes difficult to value the quality. Recently, the tide has changed and the empirical studies on the impact of microfinance have been

improved (Armendariz de Aghion and Morduch, 2005). However, the empirical evidence is still far from conclusive.

Some authors find that microfinance is essential to promoting poverty reduction (e.g. Khandker 1998, Khandker and Faruquee 2003, Morduch and Haley, 2002), while other studies conclude that microfinance is not always an effective way out of poverty (e.g. Coleman, (1999). Khandker (2005) argues that it is not unlikely that the impact of microfinance is modest. The reason is that production activities of microcredit beneficiaries often have a low return, so that gains will be limited as credit constraints are removed. Evidence suggests that the impact of microfinance remains sensitive to the choice of income indicator and the poverty line (Chen and Ravallion, 2003), and most importantly, the impact evaluation technique adopted.

Moreover, most studies focus on Bangladesh, India, Pakistan and some other Asian and South American countries. It is far from clear whether the results for these countries can be generalized to other countries, with completely different institutions.

Wijewardena, (2007) asserts that microfinance is a very potent instrument of poverty alleviation. Gonzalez (2010); Rozas and Sinha (2010) have ranked the most microfinance-friendly countries in terms of microfinance penetration as presented in Table 2.2.

Table 2.2
Microfinance Penetration By 2009

Global Ranking	Country	Borrower Accounts/ Population
1	Bangladesh	25%
	(Andhra Pradesh State, India)	17%*
2	Bosnia and Herzegovina	15%
3	Mongolia	15%
4	Cambodia	13%
5	Nicaragua	11%
6	Sri Lanka	10%
7	Montenegro	10%
8	Viet Nam	10%
9	Peru	10%
10	Armenia	9%
11	Bolivia	9%
12	Thailand	8%
13	India	7%
14	Paraguay	6%
15	El Salvador	6%

*Source: Gonzalez (2010); *Rozas and Sinha (2010).*

No African country is represented.

Stop a man or woman on the street of any city in the developed world and ask them if they can name a development policy that works. They will probably think you are certifiable, unless they happen to be one of the minority of rich world citizens with an interest in development or aid, in which case there is a very strong chance they will say microcredit, and tell you that they have heard it works wonders in Bangladesh. In the public eye, according to many analysts microfinance has been successful. The microfinance industry now has global outreach, with more than 92 million clients in developing countries. It is very difficult to find a Poverty Reduction Strategy that does not include microfinance as an element of national development (Hulme and Moore, 2006).

Microfinance industry has its roots in Bangladesh with the Grameen Bank. The initial success of microfinance in Bangladesh has diffused across the world. In their study “Why Has Microfinance Been a Policy Success In Bangladesh (And Beyond)”, Hulme and Moore (2006) put the effective coverage of the 1,200 MFIs in Bangladesh at 11 million households in 2002. About 80% live below poverty line. Various other studies come up with statistics for the major MFIs in the country.

The Bangladesh Rural Advancement Committee (BRAC) as at September 2005 was working in over 68,000 villages and over 4,000 urban statuses in every district of Bangladesh. BRAC claim over 5 million members, almost entirely women and a cumulative disbursement of over US\$2.95 billion. Nearly one million children were enrolled in a BRAC school and over 3 million have graduated. The NGO employed over 34,000 staff, over 62,000 community school teachers, and tens of thousands of poultry and community health and nutrition workers and volunteers (BRAC At a Glance, September 2005).

In March 2005, the Grameen Bank was working in almost 51,000 villages. It claimed over 4.3 million members, over 95% women and a cumulative disbursement of over US\$4.7 billion (Grameen Bank At a Glance, March 2005).

At the end of 2004, the Association for Social Advancement (ASA) had over 2.7 million active borrowers, about 90% of whom were among the poorest. 96% of the poorest, almost 2.4 million were women (Microcredit Summit, 2004).

As at the end of 2004, BURO, Tangail had almost 220,000 active borrowers, of whom almost all were poor women (Microcredit Summit, 2005).

For SafeSave, as at the end of 2005, it was serving about 11,000 clients from eight branch offices (SafeSave website).

On the balance, there is evidence that microfinance, on the average and in general, does have a positive economic impact on clients in terms of incomes growth and reduced vulnerability (Mayoux, 1995). Referring to a joint World

Bank Bangladesh Institute of Development Studies research project in the late 1990s, Khandker (2005) finds strong evidence that the programmes help the poor through consumption smoothing and asset building and that microfinance helps women acquire assets of their own. Khandker (2005) further reports that based on the analysis of panel data spanning the 1990s, microfinance raises per capita household consumption for both participants and non-participants, increasing the probability that the programme participants will escape poverty. In 1991/2, the average return to women's cumulative borrowing was 18%.

Authorities in Bangladesh appreciate the positive effect of microfinance on the people especially the clients. Rahman (2011), the Governor of Bangladesh Bank recounts the very short summary of their microfinance institutions' status and poverty trend. The total disbursement and recovery by large MFIs (Grameen Bank, BRAC, TMSS and BURO Tanqail) in 2010 were Taka 252.94 billion and Taka 229.68 billion respectively and the total outstanding loans stood at Taka 150.05 billion, USD 2.1 billion) to more than 20 million poor borrowers whereas the overdue as percentage of outstanding improved to 3.73% in 2010 from 3.79% in 2009.

In addition, microfinance has also been able to develop a stronger base of self-employment based social safety net in addition to conventional public safety net system which is quite robust.

Empirically, it has not been all success story of microfinance in Bangladesh Hulme and Moore (2006) note that there have been failures among Bangladeshi MFIs. These include the collapse of Gano Shahajyo Sangstha (GSS), a large NGO-MFI, due to allegations of misuse of donor funds and gender discrimination in 1999. Evidence from field work show that an unknown number of poor people have suffered because of bogus NGOs. In such cases tricksters establish savings groups with promises of loans once people have built up a savings fund. Before the loans start, the organizers disappear with the groups' savings.

In the study conducted by Haque and Yamao (2009), respondents were asked their opinion on whether there had been any changed aspect of their lives since joining NGO-MFIs. The majority of the respondents (71.41%) indicated that they felt there

had been no change in their lives, while 23.52% of the borrowers who had been previously wealthier, felt that status of livelihoods had been improved. A few clients (5.06%) indicated that they had been adversely affected by their involvement with NGO-MFIs.

After examining the impact of microcredit on self-employment, profits of households in Vietnam over the past decade, Pham and Lensink (2008) find remarkable progress in the fight against poverty. The incidence of poverty, according to the international poverty line, declined from 58 percent to 20 percent between 1993 and 2004 (Vietnam Poverty Update Report, 2007).

Some commentators feel that the commercialization of microfinance has not helped the industry. For Bateman (2011), the commercialization and Wall Street-ization of microfinance has only served to destroy what previous few measurable benefits were being registered by old-style Grameen Bank microfinance. Starting with Bolivia in 1999, one by one the most aggressively commercialized microfinance sectors entered a 'boom-to-bust' disaster to date, in the Andhra Pradesh State of India where the microfinance sector plunged into a non-repayment crisis that saw repayment rates fall from 98% down to as little as 20%. The cause of all this economic and social destruction in India was the intense competition between the top handful of microfinance institutions, each wishing to get as large as possible, as profitable as possible and as soon as possible.

According to Beaudry (no date), proponents of microfinance argue that it is one of the most effective and flexible strategies in alleviating poverty. The Grameen Foundation, with a budget of \$25 million in fiscal year 2009 states that microfinance has a positive impact far beyond the individual client. As families cross the poverty line, and micro-businesses expand, their communities benefit. Jobs are created, knowledge is shared, civic participation increases, and women are recognized as valuable members of their families and communities.

The Consultative Group to Assist the Poor (CGAP), hold that by reducing vulnerability and increasing earnings and savings, financial services allow poor households to make the transformation from every day survival to planning for the

future. Households are able to send more children to school for longer periods and to make greater investments in their children's education. Increased earnings can lead to better nutrition and better living conditions, which translates into a lower incidence of illness.

Beaudry (no date: 10) has countervailing stories of people whose unsuccessful brush with microfinance has placed them in greater poverty and more precarious circumstances. She singles out a woman in Koppal, India.

Lakshmavva joined a self-help group and took five loans. She paid interest on the loans but the principal amount was outstanding. The loans were used for consumption smoothing and invested in production activity. She had no source of income. She received an additional loan and acquired a buffalo – but was unable to repay this loan. Her oldest son left school to rear the buffalo. When he left to work as agricultural labourer, the second left school and took over. While her 'assets position' had improved, her children left school. She sold the buffalo and sent back the children to school but they dropped to work as labourers in the farm.

Some commentators view microcredit as producing insidious cycles of dependency. Cons and Paprocki, (2008), cited a narration by a microfinance client in Arampur Bangladesh who said that at the beginning the NGO said that their loans would bring happiness to their lives as they would get more money to start businesses. They lured them by telling them that they would have chickens, latrines and many other things. These women believe them. They were told they would have to repay the installments every week, but they would never feel burdened by the loan. But later they felt the burden. Then they understood that they could never get rid of the loans even after selling their "skin".

In another study carried out by Khan (1999:428) in Bangladesh, some women voiced out the impact of microfinance on them:

Sabiha said she had taken loans twice. The first was Tk 5000 which she gave to

her brothers to mortgage in land acquisition. They cultivate the land and she gets one-third of the revenue from sales. The second time, she borrowed Tk 4000 with which she bought a cow. Her brother is responsible for the cow, and he gives her a share of the revenues from the sale of milk. There is a mutual understanding between them.

Microfinance is seen to restore some dignity to poor families as their children no longer work as maids. Still in Khan (1999:432) a woman queried:

Why should we let out young daughter work in rich house? We used to do that because we did not have money to feed them and thought they would be able to have at least proper meals. But now, we are both earning money, we can feed them. So we do not allow them any more to work in the rich house, they make our daughters do hard work.

Dowry has not disappeared, but the bridal party often asks for less money as wage employment which is fallout from microfinance facilitation is treated in itself as dowry. This, Khan (1999:434) further explains:

The tradition of dowry payment remains but the amount of money has gone down from Tk 10000-15000 to Tk 4000-5000, because girls are earning, making ornaments and saving money and those are given upon marriage.

An Indian woman, a beneficiary of microfinance boasted “my husband used to instruct me around and beat me up before, but when I had joined SEWA, he cannot do that now” (Ehigiamusoe, 2000:21). Also, the Evaluation Report on Catholic Institute for Development, Justice and Peace (CIDJAP), Enugu, for Misereor Germany, their major donor, some women have these to say:

Mrs. Angela Anyanwu says I am a hairdresser, married with children. I have enjoyed credit granted me and returned three times. I am enjoying the fourth one. I have bought modern hairdressing equipment including drier. I now stock

weavon, attachments, and cosmetics and sell to customers. I have opened another salon in another zone in the city with my younger sister in charge. I have enrolled into a University, studying Public Administration. My children are no longer driven away from school because of non-payment of school fees. I cannot thank Misereor enough for empowering me through the fund it made available for on-lending through my NGO Okafor, 2001:4 & 6).

Mrs. Benedeth Oji also narrates her story:

I was initially a petty kerosene seller but now a bulk buyer. I have even expanded to another line of business. I am married with children – all females. Because I have no male child, my husband abandoned me. I cannot eke out any meaningful living from the kerosene I sell which I hawk in bottles. A friend took me to GWEDE, (an NGO). The Rev. sister in-charge interviewed me. Moved with pity on my plight, she offered me monetary gift. I told her that such gift would not solve my problem but money as a start-up capital. She helped me registered as Grassroot Women Empowerment and Development Education (GWEDE) member. I have thrice benefited from their microcredit programme. Today I buy and pay for 1000 litres of kerosene at a time; I own surface tanks for their storage. I hired a store and a warehouse and expanded into sale of soft drinks and packaged water. I hired a decent abode for my children and I. All the children are in schools with three in the secondary schools. I thank God and GWEDE for saving me from the valley of death which my husband subjected me to for failure to bear him male children (Okafor, 2001: 4 & 6).

In their study of the “Impact of Microfinance Bank on Standard of Living of Hairdresser in Ogbomoso North Local Government of Oyo State, Nigeria” Abiola and Salami (2011) concluded that despite the laudable impact of microfinance in many part of the world, the impact is not felt in Ogbomoso North LGA majorly because of the shortness of time between obtaining of credit and repayment. The shortness of times did not give room for loan to generate future income. This is because, according to the respondents, before the end of loan repayment the business would have almost collapsed.

Whereas, Yahaya et al. (2011), following their study on the “Effectiveness of Microfinance Banks in Alleviating Poverty in Kwara State Nigeria”, established that microfinance will alleviate the problem of active poor, low income earners to access credit thereby enabling them carry on various small and medium enterprises which will in turn empower the poor financially to be self-employed. This will reduce the poverty level in the economy. They conclude that microfinance provides diversified, affordable and dependable financial services to the active poor in a timely and competitive manner by various microfinance banks. These financial services would enable the active poor to undertake and develop long time, sustainable entrepreneurial activities, mobilize savings for financial intermediation, create employment opportunities and also to increase productivity.

In their studies of “Microfinance and women’s empowerment: a lesson from India”, Leach and Sitaram (2002:581), cited three women who also hired labourers and were proud to be employers instead of employees. On the surface there had been a reversal of gender roles in the economic arena, with the women taking on the role of employer and some of the men working in the unit as employees, though neither saw it as such. Both merely saw themselves as working in the family unit. As one woman would say, “do you think my husband would work if he thinks I am paying him wages?” (Leach and Sitaram 2002:581)

The women, according to Leach and Sitaram (2002) prided themselves in thinking as business women. They were more conscious of time and money, and appreciated the importance of producing good quality silk. Consequently, they had an increased interest in their work and a new sense of responsibility, handling large sums of money for the first time in their lives (up to Rs 35,000 – US\$750 – when they collected the money from the sale of the silk) and storing large quantity of silk in their houses. They realized they could do something with their lives. They could see a path out of poverty – they could have aspirations. In turn, they were no longer exposed to abuse and insults from their employers, from not being paid on time to not being paid overtime. On the whole, their husbands and other family members were supportive and encouraging.

In their study of “The Impact of Micro-credit on Poverty Alleviation and Human Capital Development: Evidence from Nigeria”, from 1999-2008, Onwumere, et. Al (2012), adopting the ordinary least squares (OLS) regression technique found out that financial intermediation activities of Microfinance Banks in Nigeria had negative non-significant impact on poverty index and a positive impact on human capital development within the period of study.

Jegede, et. al. (2011), in their study of “Impact of Microfinance on Poverty Alleviation in Nigeria” conclude that there is a significant difference between those people who use microfinance institutions and those who do not use them. They state there is significant effect of microfinance institutions in alleviating poverty by increasing income and changing economic status of those who patronize them. The study thus concludes that microfinance institutions are indeed potent strategy of poverty reduction and viable tool for purveying credit to the poor.

2.4 REVIEW SUMMARY

The origin of microcredit was traced to the 18th century and credited to Jonathan Swift who provided the product to poor Irish farmers (Abiola and Salami, 2011). By the middle of the 19th century, Friedrich Wilhelm Raiffeisen, a German, developed credit unions through which he assisted the poor break out of their dependence on money lenders (Yahaya et. al. 2011). Modern microcredit and microfinance were given prominence from the 1970s (Robinson 2002, Otero 1999 and Yunus 2004).

Microcredit and microfinance have been variously defined. For microcredit, the common characteristics in the definitions are the size of the credit, the financial status of the borrower and the size of the enterprise. The credit is small, the borrower is financially poor and the enterprise is of micro. The Microcredit Summit (1997) see microcredit programmes as those small loans extended to very poor people for self-employment projects that generate income, allowing them to care for themselves and their families.

Microfinance is viewed by Irobi (2008) as the provision of financial services such as credit, savings, micro-leasing, micro-insurance and payments transfers to economically active poor and low income households to enable them engage in

income generating activities or expand/grow their small businesses. Microfinance is a lift above microcredit. It provides a mini-supermarket of microfinancial services for the poor. Microcredit is a subset of microfinance.

The basic difference between microcredit and microfinance programmes is the type of service that they provide. Microcredit, such as Grameen Bank, provides mainly one type of service – loan distribution and recovery. Microfinance on the other hand, provides all kinds of micro financial services, including microcredit (Elahi and Rahman, 2006).

There is a surfeit of arguments for and against whether microfinance really alleviates poverty. Some researchers are totally against using microfinance as a tool of poverty alleviation due to not very successful results of the existing NGOs and other MFIs (Halme and Mosley, 1996, Jayawardena 2001 and Coleman, 2001). Some others argue that the core poor are left out of the scheme due to corruption, lack of awareness and planning (Zeller and Sharma, 1998, Kuramariatieva, et al., 2003, Bajwa 2002 and Ibrahim et. al., 1994). Albee (1996) is even of the opinion that rather than microfinance empowering the poor, it creates debt trap for them.

But Zeller and Sharma (1998) argue that microfinance can help to establish or expand enterprises, potentially making the difference between grinding poverty and economically secure life. Following his study in Bangladesh, Khandor (2005) confirms that microfinance programmes have a sustained impact in reducing poverty among the participants, especially for the female participants and a positive spill-over effect at the village level. Empirically, the proponents of microfinance as a tool for poverty alleviation are abound and presented under the “Empirical Review”.

Poverty is ravaging a greater percentage of global households especially the developing countries. According to Egwuatu (2008) more than 80 percent of all households in developing countries do not have access to credit from formal financial institutions. They also lack the needed technical back-up and infrastructure. These exacerbate poverty.

Poverty has been defined variously. Some commentators view it as either absolute or relative or both (Osemene et. al, 2011). The World Bank (2000/2001) defines poverty as the state of living on less than US\$2 a day. According to Latife (2003), more than 100 million children of primary school age have never stepped inside a classroom, about 29,000 die each day from largely preventable malnutrition and disease and more than 1.2 billion in the world are struggling to survive on under a US\$1 a day.

Women are more focused in global address of poverty. Latife (2003) states that poverty has a woman's face. The Microcredit Summit (1997) proclaims to launch a global movement to reach 100 million of the poorest families, especially the women of those families with micro credit for self-employment by 2005. The administrator of the Consultative Group to Assist the Poorest (CGAP), Mohini Malhotra, states that the programme will target the women because the poorest, landless, most destitute heads of households are women (Rogaly, 1996). Albee (1996) is of the opinion that the current stress on women and credit by development agencies is the recognition that benefits of development are most likely to have a positive effect on families when channeled through women.

Muhammad Yunus and Grameen Bank occupy a place of pride in microfinance philosophy. According to Latifee (2003) Grameen Bank is the pioneering institution in the field of poverty finance. Grameen Bank was founded by Muhammad Yunus in 1983. Both jointly won the 2006 Nobel Peace Prize for microcredit (Dugger 2006). The Grameen Bank model has been replicated in 58 countries in 4 continents. In all, there are 241 international programmes in countries as diverse as Nigeria, Tanzania, Kenya, Ghana, Nepal, Indonesia, Sri Lanka, Papua New Guinea, France, Jorway, Jamaica, Mexico, Columbia, Canada and United States of America (Yunus, 1998).

According to Mayoux (1995) there is empirical evidence that microfinance on the average and in general has a positive economic impact on clients in terms of income growth and reduced vulnerability. Referring to a joint World Bank Bangladesh Institute of Development Studies research project in the 1990s, Khandker (2005) finds strong evidence that the programmes help the poor through consumption smoothing and asset building and help women acquire assets of their own.

Hulme and Moore (2006), however note that it has not been all success story of microfinance in Bangladesh as there have been failures among MFIs. In the study conducted by Hague and Yamuo (2009), 71.41% of the respondents indicated that they felt no change in their lives since joining NGO – MFIs. Some commentators view microcredit as producing insidious cycles of dependency. Cons and Paprocki (2008) narrate of a microfinance client in Arampur Bangladesh who said that they were told that the loans would bring them happiness as they would get more money for their businesses. They have felt the burden of the debt and realized they could never get rid of the loans even after selling their skin.

The study of Khan (1999) has narrations from women on how micro credit has helped them and their families in Bangladesh. Also, in an Evaluation Report commissioned by Misereor Germany on fund distributed to clients through the Catholic Institute for Development, Justice and Peace (CIDJAP), Enugu, Okafor (2001) reports the positive stories of how some women said the credit provided them lifted them above the crunches of poverty.

Similarly, Leach and Sitaram (2002) cite Indian women who were happy to be employers instead of employees through the credit they accessed.

Microfinance activities in some other jurisdiction were presented. These include those in Bangladesh, India, Sierra Leone, Uganda, South Africa, and Nigeria.

Previous Pro-poor Initiatives in Nigeria which spanned from 1936 – 2005 were also reviewed.

References

- Abiola, Idowu & Salami, A.O. (2011), Impact of microfinance bank and standard of living of hairdresser in Ogbomosho North Local Government Area of Oyo State, Nigeria, *International Business Management, Medwell Journals*, 27 – 32.
- ADB Report (2005), The Road map for development of microfinance sector in Pakistan. *Agriculture Development Bank*,
- Ackerly, B. (1995). Testing the tools of development: Credit programmes, loan involvement and women empowerment” *IDS Bulletin*, 26(3) 56–68.
- Ahmed, R. (2002). Microfinance regulation in South Africa: Status and challenges. *Microfinance Best Practices Seminar Proceedings*.
- Ahmed, S. (2006). Address by Governor, Bangladesh Bank, SAARCFINANCE Governor’s symposium on microcredit, held in Dhaka, Bangladesh. *SAARCFINANCE Cell, Research Department, Bangladesh Bank, Dhaka, Bangladesh*.
- Akinboyo, O.L. (2007). Microfinance Banks: Unlocking the potentials of micro-business activities of the Nigerian rural economy *Bullion*, 31(1) 39-51.
- Albee, A. (1996). Beyond banking for the poor; Credit mechanism and women’s empowerment. *Gender and Development*, 4(3), 48-53.
- Alam, S.M. (2005). Poverty and its alleviation. *Pakistan and Gulf Economist*, 24(13).
- Aluko, M.A.O. (2003). Strategies for poverty reduction in Nigeria, *Journal of Social Sciences*, 7(4), 255-266.
- Anin, R., Becker, S., & Bayes, A. (1998). Empowerment of women. *The Journal of Developing Areas*, 3(2), 105-119.
- Armendariz de Aghion, B. & Morduch, J. (2000). Microfinance beyond group lending . *The Economics of Transition*, 8(2), 401-420.

- Armendariz de Aghion, B. & Morduch, J. (2005). The economics of microfinance. Cambridge, *The MIT Press*.
- Asian Development Bank (2004). Microfinance financial services for the poor. Available at www.adb.org/Microfinance., (Retrieved 21 August, 2011).
- Awoseyila, A.P. (1999). The dimension of poverty in Nigeria (spatial, sectoral, gender, occupational, etc.). Central Bank of Nigeria, *Bullion* 23(4), 31-39.
- Bajwa, R. (2002). Microcredit methodologies and the role of rural support programs in delivery of microcredit in Pakistan. *Committee on Rural Finance (CRF)*.
- Balogun, E.D. (1999). Analyzing poverty: Concepts and methods. Central Bank of Nigeria, *Bullion* 23(4) 11-16.
- Banerjee, A, Duflo, E. Glennerster, R. & Kinnnan, C. (2009), The miracle of miracle microfinance? Evidence from a Randomised evaluation, *MIT Department of Economics Financial Access Initiative Research Brief: 05/04/2012* www.financialaccess.org.
- Bategeka, L. (1999). Uganda's achievements and challenges in the financial sector: Whose interests count? *Journal of Uganda Institute of Bankers*, 7(4), 6-10.
- Bateman, Milford. (2011), Microfinance as a development and poverty reduction policy: is it everything it's cracked up to be?" *The Overseas Development Institute*, www.odi.org.uk.
- Bateman, Milford. (2011). Muhammad Yunus and faltering reputation of microfinance. *Milfordbateman@yahoo.com*.
- Bayulgen, O. (2008), Muhammad Yunus, Grameen Bank and the Nobel Peace Prize: What Political Science can contribute to and learn from the study of microcredit. *International Studies Review*, 10, 525-547.

- Beandry S. (no date). Microfinance, a guide for grantmakers. Grantmakers without borders
1009 General Kennedy Avenue, No.2, San Francisco, CA 94129: 08/08/2012.
www.gwob
- Bebbington, A. & McCourt, W. (2005), Statecraft in the South: A framework for understanding public policy success in developing countries. Paper presented at the ESRC Seminar on Policy Success in Developing Countries, Institute for Development Policy and Management, University of Manchester.
- Bondreaux K. & Cowen T. (2008), The micromagic of microcredit. *The Wilson Quarterly*, 32(2), 27-31.
- BRAC (2005), BRAC at a glance, September 2005: 06/09/2012
<http://www.brac.net/ata glance.htm>
- Buckley G. (1996). Microfinance, in Africa: Is it either the problem or the solution? *World Bank Development*, 25, 1081-1093.
- Burger, M. (1989), Giving women credit: The strength and limitations of credit as a tool for alleviating poverty. *World Development*, 17(7), 1017-1032.
- Burjorjee, D., Deshpande, R. & Weidmann, C. (2002), Supporting women's livelihood: Microfinance that works for the majority. *United Nations Capital Development Fund, Special Unit of Microfinance*.
- Central Bank of Nigeria (2005) Regulatory and Supervisory Framework for Microfinance Banks in Nigeria.
- Central Bank of Nigeria (2011) Microfinance policy framework for Nigeria (2011).
- CGAP (no date) How do financial services help the poor? Retrieved November 11, 2012
from <http://www.cgaporg/p/site/c/template.rc/1.26.1305/>
- Chatterjee, M. (2001). Microfinance: A miracle cure? *World Economic Forum*, Switzerland.

- Chavan, P. & Ramakumar, R. (2002), Micro-credit and rural poverty: An analysis of empirical evidence, *Economic and Political Weekly*, 37(10), 955-965.
- Chen, S. & M. Ravallion (2003). Hidden impact? Export evaluation of an anti-poverty program, *World Bank Policy Research Working Paper*, 3049.
- Cheston, S. & Khun, L. (2000), Empowering women through microfinance institutions. *Sinapi Aba Trust*, Ghana.
- Chowdhury, H.J. (2001). Reintegration of internally displaced people: The need for microcredit; *In Hossain and Rahman (eds): Microfinance and Poverty*.
- Clark, J. (1999). The role of non-profit organisations In development: The experience of the World Bank, Washington D.C., World Bank.
- Coleman, B.E. (1999). The impact of group lending in Northeast Thailand, *Journal of Development Economics*, 60, 105-141.
- Coleman, B. (2001). Measuring impact of microfinance programs. Finance for the poor, Agriculture and social sectors department (West), Asian Development Bank, *Newsletter*, 2(4), 31-45.
- Conroy, J.D. (2003). The Challenges of microfinancing in Southeast Asia, Singapore Institute of Southeast Asian Studies.
- Cons, J. & Paprocki, K. (2008) Listening to Borrowers, A Case Study from Bangladesh. Retrieved September 04, 2012 from <http://www.foodfirst.org/files/pdh/bgr%20microcredit%20winter%202008.pdf>.
- Conteh, B.K. (1995). Institutions in Rural Developments: The case of rural banks in Sierra Leone, *Unpublished PhD Thesis, University of Leeds, UK*, p218.
- Conteh, B.K. & Braima, J.S. (no date). Microfinance and informal sector development for poverty alleviation. A study presented as a chapter contribution to the poverty reduction strategy paper for Sierra Leone.

- Copestake J. (1995). Poverty-oriented financial service programmes: Room for improvement? *Savings and Development*, 19(4) 417-435.
- Csazar, F. (2004). Understanding the concept of power in Ruth Alsop (ed): Power, rights and poverty. Concepts and connections, Washington D.C. and London, World Bank and Department for International Development (UK), 46-137.
- Dadhich, C.L. (2001) Microfinance – A panacea for poverty alleviation: A case of oriental Grameen project in India. *India Journal of Agricultural Economics*, 56(3), 419-426.
- Dahiru, Mohammed A. & Zubair, H. (2008). Microfinance in Nigeria and the prospects of introducing its Islamic version there in the light of selected Muslim countries experience.
- Daley-Harris, S. (2005) State of the Microcredit Summit Campaign Report.
- David Hulme & Karen Moore, (2006) Why has microfinance been a policy success in Bangladesh (and beyond)? *Global Poverty Research Group*. <http://www.gprg.org/>
- DFID (1998). Banking on the Poor. DFID and Microfinance. *DFID*.
- Diagne, A. (2000) Design and sustainability issues of rural credit and savings programmes: Findings from Malawi. Rural financial policies for food security of the poor. *International Food Policy Research Institute, Policy Brief (12)*.
- Diagne, A. & Zeller, M. (2001). Access to credit and its impact in Malawi, *Research Report 116*, Washington D.C., USA: International Food Policy Research Institute (IFPRI).
- Dobra, A. (2011) Microfinance: Champion in poverty alleviation and failure in female empowerment. *Dobra Microfinance*, 134-137.
- Dugger, C.W. (2006). Peace prize to pioneer of loans to poor no bank would touch. *The New York Times*, October 14. Available at <http://www.nytimes.com/2006/10/14/world/asia/14nobel.html>.

- Ebdon, R. (1995). NGO expansion and the fight to research the poor: Gender Implications of NGO Scaling-up in Bangladesh, *IDS Bulletin*, No.26.
- Ehigiamusoe, G. (2008), The role of microfinance institutions In the economic development of Nigeria, *Bullion* 32(1) 17-25.
- Elahi, Khandakar Qudrat I. & Rahman, M. Lutfur (2006). Microcredit and microfinance: Functional and conceptional differences, development in practice, 16(5), 476-483.
- Englama, A. & Bamidele, A. (1997). Measurements issues in poverty. In poverty alleviation in Nigeria, Selected Papers for the 1997 annual conference of the Nigerian Economics Society, 141-156.
- Gohar, B. (2000), Rethinking strategies for poverty alleviation in the South Asian context. ICSW International Conference on Social Welfare, Cape Town, South Africa.
- Goetz, A.M. & Gupta, R. (1996). Who takes the credit? Gender, power and control over loan use in rural credit programmes in Bangladesh. *World Development*, 24(1), 45-63.
- Goetz, & SenGupta, R. (1994). Who takes the credit? Gender, power and control over loan use in rural credit programmes in Bangladesh. *World Development*, 24(1) 45-63.
- Grameen Bank (2003). Grameen Bank at a glance, March 2005: 07/07/2012.
<http://www.grameen-info.org/bank/GBGlance.htm>.
- Grameen Bank/Bank for the poor (1997) www.grameen-info.org
- Greeley, M. (2003), Part. Microfinance and poverty, Poverty reduction and microfinance – assessing performance. *IDS Bulletin*, 34,(4), 10-20.
- Gwerin, L. & Servet, M. (2005). Exclusion et liens financiers. *Rapport due Centre Walras*, Paris: Economica.
- Haque, S. M. & Yamao, M. (2009). Can microcredit alleviate rural poverty? A Case study of Bangladesh, *International Journal of Human and Social Sciences*, 4(13), 929.

- Harcourt W. (2009). The Search for social justice, *Development*, 40(1) 5-11.
- Hashemi, Syed, Sidney & Riley, (1999). Rural credit programmes and women's empowerment in Bangladesh. *World Development*, 24(4).
- Helms, B. (2006), Access for all: Building inclusive financial system. *Consultative Group to Assist the Poor (CGAP), Report*, Washington DC, World Bank.
- Hossain, F. (2002). Small loan, big claims. *J. Foreign Policy*, 8, 24-26. Hulme David & Paul Mosley (1996). *Finance against poverty* 1, Routledge, London.
- Human Development Report, Nigeria (1996). United Nations Development Programme, Lagos, Nigeria.
- Hyuha, M; Ndanshan, K; & Kipokola, J. (1993) Scope, structure and policy implications of informal financial markets in Tanzania, *African Economic, AERC Research Paper*, 18.
- Ibrahim, S. & Nayab, P. (1994). The appropriateness of a community-based program: A case study of the AKRSP in two villages of Gilgit district. *The Pakistan Development review*, 33(4), 65-81.
- Irobi, Nnenna Christiana (2008). Microfinance and poverty alleviation, A case of Obazu Progressive Women Association, Mbieri, Imo State, Nigeria.
- Jamil, B. (2008). Microfinance as a tool for poverty alleviation in Nigeria. Paper presented at sensitization workshop on Microfinance Banks in Kano State.
- Jayasuriya, P.K. (no date). Impact of the microfinance on poverty alleviation in Sri Lanka, June 10, 2012, prasanshakumari@yahoo.com
- Jayawardena, A. (2001.). Help the poor to help themselves, Finance for the poor, Agriculture and Social Sectors Department (West), Asian Development Bank, *Newsletter*, 2(4), 15-24.

- Jegede, C.A., Kehinde, J. & Akinlabi, B.H. (2011), Impact of microfinance on poverty alleviation in Nigeria: An empirical investigation, *European Journal of Humanities and Social Sciences*, 2(1) 97-111.
- Jonathan Goodluck (2001). Keynote address at the CBN 3rd annual microfinance conference and microfinance/entrepreneurship awards at Ladi Kwali Hall, Sheraton Hotel and Towers, Abuja, *The Nigerian Microfinance Letter*, 8, January – June 2009, August 08, 2012. www.cembank.org/microcredit
- John, S. & Kidder T. (1999). Globalisation and gender – dilemma for microfinance organisations,, *Small Enterprises Development*, 10(3) 4-15.
- Johnson, S. & Rogaly, B. (1999). Microfinance and poverty reduction Oxfan Publication.
- Kabeer, N. (1998). Money can't buy me love? Re-evaluating gender: Credit and empowerment in rural Bangladesh, *IDS Discussion Paper*, 363, Brighton: IDS.
- Kabeer, N. (2001). Conflicts over Credit: Re-evaluating the empowerment of potential loans to women in rural Bangladesh, *World Development*, 29(1), 63-84.
- Kabeer, N. (2002). We don't do credit: Nijera Kori Social mobilization and the collective capabilities of the poor in rural Bangladesh, Dhaka; *Nijera Kori*.
- Khan, Z.A. (2007), Ultra poor programme of PKSF: A milestone in micro credit Lending, *The Financial Express*, Pali Karma Shahayak Foundation (PKSF), Dhaka, Bangladesh.
- Khawari, A. (2004), Microfinance: Does it hold its promises? A Survey of recent literature, *HWWA Discussion*, Paper 276.
- Khander, S.R. (2005), Microfinance and poverty: Evidence using panel data from Bangladesh. *The World Bank Economic Review*, 19(2) p 263-286.

- Khander, S.R. & Farugee (2003), The impact of farm credit in Pakistan, *Agricultural Economics*, 28(3), 197-213.
- Kaladhar, K. (1997). Microfinance in India: Design, structure and governance. *Economic and Political Weekly*, 32(42).
- Kankwenda et. al. (2000), *Poverty Eradication, Where stands Africa?*, London: Economica Ltd
- Kool, P. & Tucker, J. (2003), Microfinance sector development; An Assessment, in Conteh and Braina (no date).
- Kuramanaliera, E. Montgomery, H. & Weiss, J. (2003), Microfinance and poverty reduction in Asia: What is the evidence? ADB Institute.
- Lakshmanan, S. (2001), Working of self-help-groups with particular reference to Mallipalayam Self-Help-Group, *India Journal of Agriculture Economics*, 56(3), 457.
- Lalitha, N. (2008). Readings on Microfinance. *Dominican Publishers and Distributors*, Delhi.
- Lapenu, C. (2000), World wide distribution and performance of Microfinance institutions. Rural financial policies for food security of the poor International Food Policy Research Institute, Policy Brief (6).
- Lashley, J.G. (2004) Microfinance and poverty alleviation in the Caribbean: A Strategic overview. *J. Microfinance*, 6 24-26.
- Latifee, H.I. (2003). Microfinance and poverty reduction, presented at the international conference on Poverty Reduction through Microcredit held at Leylan Inter-Continental Hotel, Taksim – Istanbul, Turkey.
- Leach, F. & Sitaran (2002). Microfinance and Women's empowerment: A lesson from India *Development in Practice*, Vol.12, No.5, pp 575-588.

- Ledgerwood, J. (1999). Sustainable banking with the poor: *Microfinance Handbook – An Institutional and Financial Perspective*, London and New York. Pinter.
- Leon, R. (1998). Women and Microcredit: A reality and a challenge *Secretary for Programme Development*, World YWCA.
- Mac Isaac, N. (1997). The Role of microcredit in poverty reduction and promoting gender equity, *A Discussion Paper Report CIDA Quebec*. Macisaac@mos.com.np.
- Madajewitez, M. (2003). Does the credit contract matter? The impact of lending programmes on poverty in Bangladesh. *Columbia, University Press*, N.Y.
- Madheswaran, S. & Dharmadhikary, (2001), Empowering rural women through Self-Help Groups: Lessons from Maharashtra rural credit project, *Indian Journal of Agricultural Economics*, 56(3), 427-443.
- Mahajan, V. (2005). From microcredit to livelihood finance, *Economic and Political Weekly*, 40(41) 4416-4419.
- Marsh, D. & N. Saran (1999), Access to credit for the poor: The Borrower's Perspective. A focus on money lending in South Africa. *Black Sash Trust*.
- Matin, I. & Hulme, D. (2003). Programmes for the poorest: Learning from the IGVGD in Bangladesh, *World Development*, 31(3) , 647-665.
- Matovu, Dan (2006). Microfinance and poverty alleviation, school of global studies.
- Mayoux, L. (1995), From vicious to virtuous circles? Gender and micro-enterprise Development, Geneva, United Nations Research Institute for Social Development.
- Mayoux, L. (1998). Women's empowerment and microfinance programmes: Approaches, evidence and ways forward. *The Open University Working Paper*, 4.
- Mayoux, L. (1999), Questioning virtuous spirals: Microfinance and women's empowerment in Africa. *Journal of International Development*, 957-984.

- Mayoux, L. (2000). Sustainable microfinance for women's empowerment: A participatory learning action approach, *UNIFEM*.
- Mayoux, L. (2009), Microfinance and the empowerment of women – A review of the key issues. *SHDF, Zambuko Trust, SEF, OGT and SCF*, UK, Vietnam Programme, ILO.
- Meagher, P. & Wilkinson, H. (2001), Filling the gap in South Africa's small and micro market: An analysis of major policy, legal and regulatory issues, IRIS Centre, University of Maryland.
- MFPED (2001). Uganda poverty status report 2001, Kampala.
- Microcredit Summit Campaign (2004), List of Verified Institutions, 2012, http://www.microcreditsummit.org/pubs/reports/socr/2004/en_appl.pdf. Micro credit Summit Washington (1997), www.unesco.org/most/povmicr2/htm
- MkNelly, B. & Dunford, C. (1998), Impact of credit with education on mothers and their young children's nutrition: Lower Pra Rural Bank Credit with Education in Ghana. *Freedom from Hunger Research Paper*, 4.
- Mohammed, A.D. & Hasan, Z. (2008), Microfinance in Nigeria and the prospects of introducing its Islamic version there in the light of selected Muslim countries experience, *Faculty of Economics and Management Sciences, International Islamic University*, Malaysia.
- Mohiuddin, Y. (1993), Credit worthiness of poor women: A comparison of some minimalist credit programs in Asia: A Preliminary analysis. *The Pakistan Development Review*, 32(4) 86-105.
- Montgomery, R; Bhattacharya, D; & Hulme, D. (1996). Credit for the poor in Bangladesh, in D. Hulme and P. Mosley (eds), *Finance Against Poverty*. London: Rontledge.
- Morduck, J. (1999). The microfinance promise. *Journal of Economic Literature*, XVII: 569-614.

- Morduch, J. & Barbara (2002), Analysis of the effects of microfinance of poverty reduction. *NYU Wagner Working Paper*, 1014.
- Morris, G.A. & Meyer, R.L. (1993). Women and financial services in developing countries: A Review of the Literature, Economics and Sociology Occasional Paper, 2056, Oxford, OH: The Ohio State University.
- Mosley, P. (2001). Microfinance and poverty in Bolivia, *Journal of Development Studies*, 37(4), 101-132.
- Muhammed Y. (2004). Grameen Bank, Microcredit and Millennium Development Goals. *Economic and Political Weekly*, 4077-2080.
- Mumtaz, S. (2000) Targeting women in microfinance schemes: Objectives and outcomes. *The Pakistan Development Review* 39(4), 44-58.
- Muwanga, S.L. (2000), Is Liberalization of the banking sector in Uganda a reform effort that has gone a stray? *The Journal of the Uganda Institute of Bankers*, 8(1) 8-14.
- Nabard, (1984). Study of implementation of IRDP, Mimeo, Mumbai.
- Namboodiri, N.V. & Shiyani (2001) Potential role of self-help-groups in rural financing deepening, *Indian Journal of Agricultural Economics*, 56(3), 401-409.
- Nanavaty, R. (2000). Does Empowerment matter for Economic Development? Poverty reduction and economic management (PREM), Laurence, World Bank.
- Navajas, S. (2000) Microcredit and the poorest of the poor: Theory and evidence from Bolivia, *World Development*, 28(2), 333-346.
- Nissanke, M. (1994), Financial Linkage Development in Sub-Saharan Africa, in A. Atsain, S. Wangwe and A.G. Drabek (eds), *Economic Policy Experience in Africa*, Nairobi: *AERC Publication*, 105-125.
- Okafor, F.O. (2000.) *Journal of the Management Sciences* published by Faculty of Management Sciences, Unizik, 25.

- Okafor, I.G. (2001). Evaluation final report on GWEDE commissioned by Mesereor Germany. unpublished report.
- Okpara, G.C. (2010). Microfinance banks and poverty alleviation in Nigeria. *Journal of Sustainable Development in Africa* 12(6), 177-191.
- Okumadewa, F. (1999) International agencies response to poverty situation in Nigeria. *Central Bank of Nigeria Bullion* 23(4), 66-70.
- Okurut, F, Banga, M. & Mukungu, A. (2004). Microfinance and poverty reduction In Uganda: Achievements and challenges, *Economic Policy Research Centre (EPRC)*, Research Series, 41, Email: eprc@eprc.or.ug.
- Oladumi, E.B.I. (1999). The dimension of poverty in Nigeria spatial, sectoral, gender, et. al., *Central Bank of Nigeria Bullion* 23(4), 17-30.
- Onwumere, J.U.J, Ibe, I.G. & Ugbam, O.C. (2012), The Impact of microcredit on poverty alleviation and human capital development: Evidence from Nigeria , *European Journal of Social Sciences*, 28(3) 416-423.
- Otero, Maria (1999) Bringing back development in microfinance, *Journal of Microfinance*, 1(1).
- Pattern, R.H. & Rosegard, J.K. (1992). Progress with profit: The development of rural banking in Indonesia, Sanfrancisco, *ICS Press*.
- Pham, T.T.T. & Lensink, R. (2008). Is microfinance important for poverty alleviation? The Netherlands, University of Groningen.
- Pitt & Khandker, S. (1995). Households and Intra-household impacts of the Grameen Bank and similar targeted credit programmes in Bangladesh. Paper presented at the workshop on credit programmes for the poor: Household and intra-household impacts and social programme sustainability by the Education and Social Policy Department, Washington, DC and Bangladesh Institute of Development Studies, Dhaka.

- Pitt, M. & Khandker, R.S. (1998), The Impact of group credit programmes on poor households in Bangladesh: Does the gender participants matter? *Journal of Political Economy*, 106(5).
- Pitt, M.M. & S.R. Khandker (1998). The Impact of group-based credit programmes on poor households in Bangladesh: Does the gender of participants matter? *Journal of Political Economy*, 106(5), 958-960.
- Puhazhendhi, V. & Satyasai, K. (2000) Microfinance for rural people: An impact evaluation, Study report, National Bank for Agriculture and Rural Development (NABARD), Mumbai.
- Quang Vinh Evans Luong (2010). Sustainable microfinance: The balance between financial sustainability and social responsibility.
- Rahman, R.I. (1986). Impact of Grameen Bank on the situation of the poor rural women, *BIDS Working Paper*, 1, Grameen Evaluation Project, Dhaka: Bangladesh Institute of Development Studies.
- Rahman, A. (1999). Microcredit initiatives for equitable and sustainable development: Who pays? *World Development*, 27(1), 67-82.
- Rahman, A. (2011). Microfinance and poverty alleviation: What's right and what's wrong, Paper presented by Dr. Atiur Rahman, Governor Bangladesh Bank at Round Table organized by Centre for Policy Dialogue, Dhaka.
- Rahnema, M. (1992). Participation in W. Sachs (ed). *The development dictionary – A Guide to knowledge of power*, London: *Zed Books*.
- Remenyi, J. & Quinones, B. Eds. (2000). Microfinance and poverty alleviation: Case studies from Asia and the Pacific, New York. *Printer Publishers Ltd*.
- Robinson, M.S. (2001). *The Microfinance Revolution*, The World Bank and Open Society Institute.

- Robinson, M. (2002). *The Microfinance Revolution: Sustainable finance for the poor*, Washington D.C. World Bank.
- Rogaly, Ban (1996). Micro-finance evangelism, 'destitute women', and the hard selling of a new anti-poverty formula, *Development in Practice*, 6(2), 100-112.
- Rosenberg, R. (1998). Internal Review of UNCDF Microfinance Activities, CGAP.
- Ruben, M. (2007) The Promise of microfinance for poverty relief in the developing world, Discovery Guides, <http://www.msnbc.msn.com/id/15246216/MSNBC>.
- Rutherford, S. (1995) ASA, The biography of an NGO, empowerment and credit in rural Bangladesh, Dhaka: Association for Social Advancement.
- Rutherford, S. (2003): Money talks: Conversations with Poor Households in Bangladesh about Managing Money, *Journal of Microfinance*, 5(2) Winter, 2003.
- Sachs, J. (2005), "The end of poverty: economic possibilities for our time," New York: Penguin.
- Safe Save (n.d.), Safe Save, <http://www.safewave.org/>
- Schuler, S.R. & Hashemi, S.M. (1994). Credit programmes, Women empowerment, and contraceptive use in rural Bangladesh, *Studies in Family Planning*.
- Scully, N. (2004). Microcredit no panacea for poor women, Washington D.C: Global Development Research Centre, <http://www.gdrc.org/icm/wind/mico.html>.
- Sharma, M. (2000), Impact of microfinance on poverty alleviation: What does the emerging evidence indicate? Rural financial policies for food security of the poor. International Food Policy Research Institute, Policy Brief (2).
- Shastri, R.S. (2009), Microfinance and poverty reduction in India, (A comparative study with Asian Countries) *African Journal of Business Management*, 3(4) 136-140.
- Sheraton Marcia, (2004). An analysis of the effectiveness of microfinance: A case study in the Western Cape.

- Simanowitz, A. & Walter, A. (2002). Emerging impact: Reaching the poorest while building financially self-sufficient institutions and showing improvement in the lives of the poorest women and their families, in Daley-Harris (ed), *Pathways Out of Poverty*, Connecticut, U.S.A, Kumaran Press.
- Soyibo, A. (1994), Financial linkage and development in sub-saharan Africa: A study of the informal finance sector in Nigeria, Overseas Development Institute.
- Stiglitz, J.E. (1990), Peer monitoring and credit markets, *World Bank Economic Review*, 3, 351-366. Statistics South Africa (1996). South African Census, Statistics South Africa, Pretoria.
- Stiglitz, J. (1999). Participation and development: Prospectives from comprehensive development paradigm. Paper presented at the International Conference on Democracy, Market Economy and Development, Seoul.
- Stiglitz, J.E. (1990), Peer Monitoring and Credit Markets, *World Bank Economic Review*, 3, 351-366.
- The Grameen Foundation – [http://www.grameenfoundation.org/what we do/microfinance in action/](http://www.grameenfoundation.org/what%20we%20do/microfinance%20in%20action/).
- Tilekar, S., Naikade, N., Deshmukh, B., & Patil, A. (2001), Women self-help-groups affiliated to 'Chaitanya': A study in Pune District," *Indian Journal of Agricultural Economics*, 56(3), 458.
- Todd, H. (1996), Women at the centre: Grameen Bank borrowers after one decade. *Boulder, Westview Press*.
- Uche, C.U. (1997). Ethics in Nigerian banking *Journal of Money Laundering Control* 8 (1) 66-74
- Uche, C.U. & Ehikwe, A.E.(2001), Marketing of banking services in Nigeria, *Journal of Finance Service Marketing*, 6 (2) 133-146

- Vatta, K. (2003), Microfinance and poverty alleviation, *Economic and Political Weekly*, 38(5), 432-433.
- Vatta, K. (2003), Microfinance and poverty alleviation, *Economic and Political Weekly*, 38(5), 32-433, accessed 04/02/2011.
- Vietnam Poverty Update Report (2007), Poverty and poverty reduction in Vietnam, 1993-2004, *Vietnamese Academy of Social Sciences*, National Political Publisher, Hanoi.
- Waddimba, J. (1979). Some participative aspects of programmes to involve the poor in development, Geneva: UNRISD.
- Wamasembe, W. (2001). Microfinance in Uganda: The State of the practice, *The Microfinance Bank*, 1(3), 14-15.
- Weiss, J. & Montgomery, H. (2005). Great expectations: Microfinance and poverty reduction in Asia and Latin America, *Oxford Development Studies*, 33(3&4), 391-416.
- Wolfe, M. (1981) Elusive development, Geneva: UNRISD.
- Wolfensohn, J.D. (1995), Women and the transformation of the 21st century address by the World Bank President to the 4th UN conference on Women, Beijing, 15 September 2012. <http://www.worldbank.org/gender/how/womenand.htm>.
- Wolfensohn, J.D. (1999). A proposal for a comprehensive development framework, Washington D.C.: World Bank.
- Woller, G. (2002): Introduction to the second microfinance revolution: creating customer centred microfinance institutions. *Journal of International Development*, 16(2), 1-5.
- Women's World Banking (1994), United Nations Expert Group on Women and Finance. 13.
- World Bank (1989), World Development Report, Washington D.C. World Bank.
- World Bank (1990): World Development Report Poverty. Oxford University.
- World Bank (1993). Poverty reduction handbook. *The World Bank*, Washington D.C.

- World Bank (1996). NGO and the bank: Incorporating FY 1995 progress report on cooperation between the bank and NGOs, NGO Unit, Washington D.C. World Bank.
- World Bank Development Report (2000/2001). The nature and evolution of poverty, The World Bank.
- World Bank (2007), Impact evaluation for microfinance: Review of methodological Issues, Doing impact evaluation, 7.
- Wrenn,E. (2005). Microfinance literature review.
- Yahaya, K.A., Osemene, O.F. & Abdulraheem, A. (2011). Effectiveness of microfinance banks in alleviating poverty in Kwara State Nigeria. *Global Journal of Management and Business Research*, 11. USA Global Journals.
- Yunus, M. (2004a). Expanding microcredit outreach to reach the Millennium Development Goals – Some issues for attention, Paper presented at an International Seminar, Attacking Poverty with Microcredit, Dhaka.
- Zeller, M. & Meyer, R. (2002) The triangle of microfinance, financial sustainability, outreach and impact. The International Food Policy and Research Institute, Washington, USA.
- Zeller, M. & Sharma (1998). Rural finance and poverty alleviation, Washington, D.C. USA. International Food Policy Research Institute (IFPRI).
- Zeller, M. & Sharma, M. (2000), Many borrow, more save and all insure: Implications for food and microfinance policy, *Food Policy* 25, 143-167.
- Zeller, M., Schreider G., Von, B.J., & Heidhus, F. (1997), Rural finance for food security for the poor. (Food Policy Review 4). Washington D.C. International Food Policy Research Institute.
- Ziauddin, M. (1999), Pakistan: Now the poverty bomb goes off. Third World Network Features, Dawn. Retrieved July 02, 2012 from www.dawn.com.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter highlights the methodology employed in this research. It includes, among other things, the basic research design, the nature and sources of data, employed models and their theoretical justifications, and explanation of the research variables. The chapter also explains the descriptive statistics and the computational technicalities adopted to analyze and test the five hypotheses postulated in chapter one.

3.2 Research Design

Onwumere (2009) defines research design as a kind of blue print that guides the researcher in his or her investigation and analysis. It is a format which the researcher employs in order to systematically apply the scientific method in the investigation of the research problems. According to Ibenta (2012), research design is like a compass directing the researcher on the route to take. It could occur in three forms viz; survey, experiment and *ex post facto* design. The present study adopts the *ex-post facto* research design.

According to Asika (2006), *ex-post facto* research is a systematic empirical study in which the researcher does not in any way control or manipulates the independent variables because the situation for the study already exists or has taken place. This study collates historical data for the period 1993-2012. By implication, the study is a time series analysis and uses historical data to evaluate the impact of microfinance banks activities on employment creation, poverty reduction and standard of living among others.

3.3 Nature and Source of Data

Being an *ex-post facto* research, data were obtained through secondary sources. Secondary sourced data are data already collated, processed and stored in forms retrievable for further research. These types of data were sourced from the CBN Statistical Bulletin (2012), CBN Annual Reports and Statistics; The Nigerian Statistical Fact Sheets on Economic and Social Development; and Social Statistics in Nigeria by National Bureau of Statistics (NBS) and records of National Population Commission (NPC) respectively. Others were generated from published academic journals, textbooks, and other relevant publications got from the internet.

Since the primary goal of this study was to investigate the impact of microfinance banks activities on economic development of Nigeria, it became imperative to use variables that

could represent good measure of microfinance bank activities and the economy. Thus, the major microfinance banks variables for the study were Ratio of Total Deposit of Microfinance to Total Credit, and Microfinance Bank Investments. The measure of the Nigerian economy include Poverty Index, Employment Rate, Ratio of GDP to Total Population (i.e., income per capita), Gross Domestic Product, Ratio of M₂ to GDP, i.e., Liquid Liabilities, Interest Rate, and Ratio of Government Capital Expenditure to GDP respectively.

3.4 Specification of Models

This study employed the inferential multiple linear regression model to capture the impact of microfinance banks activities on economic development of Nigeria. The adopted multiple linear regression models for the five hypotheses are specified below as follows:

3.4.1 Hypothesis One Model

$$PI = \beta_0 + \beta_1 RTD_TC + \beta_2 RLL_GDP + \beta_3 IR + \beta_4 RGE_GDP + \varepsilon_t \text{-----} \quad (i)$$

Where:

PI	=	Poverty Index
RTD_TC	=	Ratio of Total Deposit to Total Credit.
RLL_GDP	=	Ratio of Liquid Liabilities to GDP.
IR	=	Interest Rate
RGE_GDP	=	Ratio of Government Capital Expenditure to GDP.
β_0	=	Constant of the Regression
β_1 ,	=	Coefficient of the Explanatory Variable
ε_t	=	Random Error Term

3.4.2 Hypothesis Two Model

$$ER = \beta_0 + \beta_1 RTD_TC + \beta_2 RLL_GDP + \beta_3 IR + \beta_4 RGE_GDP + \varepsilon_t \text{-----} \quad (ii)$$

Where:

ER	=	Employment Rate in Nigeria over the studied period
RTD_TC	=	Ratio of Total Deposit to Total Credit.
RLL_GDP	=	Ratio of Liquid Liabilities to GDP.
IR	=	Interest Rate
RGE_GDP	=	Ratio of Government Capital Expenditure to GDP.
β_0	=	Constant of the Regression

β_1 ,	=	Coefficient of the Explanatory Variable
ε_t	=	Random Error Term

3.4.3 Hypothesis Three Model

$$\text{RDP_TP} = \beta_0 + \beta_1 \text{RTD_TC} + \beta_2 \text{RLL_GDP} + \beta_3 \text{IR} + \beta_4 \text{RGE_GDP} + \varepsilon_t \text{---- (iii)}$$

Where:

RDP_TP = Ratio of GDP to Total Population, a proxy for standard of living.

RTD_TC = Ratio of Total Deposit to Total Credit.

RLL_GDP = Ratio of Liquid Liabilities to GDP.

IR = Interest Rate

RGE_GDP = Ratio of Government Capital Expenditure to GDP.

β_0 = Constant of the Regression

β_1 , = Coefficient of the Explanatory Variable

ε_t = Random Error Term

3.4.4 Hypothesis Four Model

$$\text{PI} = \beta_0 + \beta_1 \text{MFBI} + \beta_2 \text{RLL_GDP} + \beta_3 \text{IR} + \beta_4 \text{RGE_GDP} + \varepsilon_t \text{----- (iv)}$$

Where:

PI = Poverty Index of Nigeria.

MFBI = Microfinance Banks Investments.

RLL_GDP = Ratio of Liquid Liabilities to GDP.

IR = Interest Rate

RGE_GDP = Ratio of Government Capital Expenditure to GDP.

β_0 = Constant of the Regression

β_1 , = Coefficient of the Explanatory Variable

ε_t = Random Error Term

3.4.5 Hypothesis Five Model

$$\text{GDP} = \beta_0 + \beta_1 \text{RTD_TC} + \beta_2 \text{RLL_GDP} + \beta_3 \text{IR} + \beta_4 \text{RGE_GDP} + \varepsilon_t \text{---- (v)}$$

Where:

GDP = Gross Domestic Product of Nigeria @ Current Basic price.

RTD_TC = Ratio of Total Deposit to Total Credit.

RLL_GDP = Ratio of Liquid Liabilities to GDP.

IR	=	Interest Rate
RGE_GDP	=	Ratio of Government Capital Expenditure to GDP.
β_0	=	Constant of the Regression
β_1	=	Coefficient of the Explanatory Variable
ε_t	=	Random Error Term

3.5 Models Justifications

The above models draw theoretical strength from the Cobb Douglass production function. Accordingly, the models proceed from the assumption that changes in the aggregate economy of Nigeria basically represented by poverty, employment, income per capita, and GDP can be explained by changes in the level of investments and other activities of microfinance banks in Nigeria.

Again, the above models are in line with the research problems and stated objectives and largely patterned from existing literature. Thus, the dependent and explanatory variables in the models are consistent with approaches of previous studies and to the extent of the availability of data for measurement.

3.6 Techniques of Data Analysis

The data generated for the study were first presented using different descriptive statistical tools such as tables, graphs and charts. The essence was to capture spot-pictures of the behavioural patterns of the variables over the period studied. Meanwhile, an on-the-spot assessment of each of these tables, graphs and charts were made for ease of understanding by the users.

Subsequently, the individual data were first analyzed using descriptive statistics. The descriptive statistics verified were with respect to averages and dispersions including mean, median, standard deviations, skewness, kurtosis, Jarque-Bera, etc. The major rationale for these summary statistics was to establish a more feel of the data on individual levels in other to form strong basis for a clearer appreciation of a more extensive inferential statistical analysis which is used to draw conclusions by comparing relationship across variables.

Having verified the testability of the data at individual levels, the inferential multiple linear regression statistics was employed to test the five stated hypotheses. The rationale was to generate optimal multivariate estimators of the coefficient parameters at 95% confidence

level in order to accept or reject the various research hypotheses of the study. Meanwhile, all the operations were performed with the aid of computer econometric view (E-View) version 7.

3.7 Explanation of the Research Variables

The variables used in the study comprised both dependent and independent variables. However, the study also controlled for other variables that theoretically could impact on the dependent variables. Below are their various descriptions as used in the study:

3.7.1 Dependent Variables

3.7.1.1 Poverty Index (PI): Poverty has multi-dimensional nature as well as dynamic nature. According to Bello and Rosian (2010), there is no single definition of poverty. It is defined according to individual's perception working at different circumstances. The poverty index used in this study draws from the National Bureau of Statistics (NBS) and the Central Bank of Nigeria (CBN). The NBS provided 24 proxies that are responsible for poverty in Nigeria.

3.7.1.2 Employment Rate (ER): The NBS Social Statistics in Nigeria (2007) explains employment as population in Government parastatals, private and other establishments engaged in activities like agriculture, fishing, manufacturing, services, public administration, health and social works. It could be regular, casual, unpaid or self-generated. The National Bureau of Statistics (NBS) as cited by the Central Bank of Nigeria (2010) defines the labour force as consisting of a number of people aged 15 and over who are employed and unemployed. Citing the International Labour Organization (ILO) the report goes further to define unemployment as the proportion of the labour force which was available for work but did not work for at least one hour in the week preceding the survey period. However, the adopted definitions for this study was that of the NBS which defines unemployment as the proportion of labour force that is available for work but did not work for at least 39 hours in the week preceding the survey period.

3.7.1.3 Standard of Living (RDP_TP): According to Wikipedia (2013), Standard of Living refers to the level of wealth, comfort, material goods and necessities available to a certain socio-economic class in a certain geographic area. It is closely related to the quality of life. Standard of living is used to compare geographic areas and can also be used to compare distinct points in time. It is generally measured by income per capita. Hence, income per head for the purpose of this study measured the ratio of the gross domestic product of the nation to the total population as given by the National population commission.

3.7.1.4. Gross Domestic Product (GDP): The Gross Domestic Product of Nigeria is a performance measure of the aggregate economy. GDP represent the market value of all officially recognized final goods and services produced within a country in a year, or other given period of time. According to CBN (2012), it is the money value of goods and services produced in an economy during a period of time irrespective of the nationality of the people who produced the goods and services. It is calculated without making deductions for depreciation. Variants of GDP computations exist. For the purpose of this study, the adopted GDP is GDP at Current Basic Prices (i.e. Nominal GDP) which equals GDP at Current Market Prices less indirect taxes and net of subsidies.

3.7.2 Independent Variables

3.7.2.1 Microfinance Banks Activities (RTD_TC): The major microfinance banks activities are mobilization of deposits and granting of credit. The Regulatory and Supervisory Framework For Microfinance Banks in Nigeria (2005) (2j) describes microfinance credit as a facility granted to an individual or a group of borrowers whose principal source of income is derived from business activities involving production or sale of goods and services. The maximum principal amount shall not exceed N500000 or as may be reviewed by the CBN from time to time. Generally, a microfinance credit is granted to the operators of the micro-enterprises, such as peasant farmers, artisans, fishermen, women, senior citizens, and non-salaried workers in the formal and informal sectors. The credits are usually unsecured but typically granted on the basis of applicant's character, the combined cash flow of the business and the household. The tenure of microfinance credit is usually not more than 180days (6months), except in crops with longer gestation period where a maximum of 12months shall be permitted. The repayment may be on a daily, weekly, bi-monthly or monthly basis. The mobilized deposit can be for current account (demand deposit), savings or fixed deposit account (time deposit account). The mobilized deposit provides the platform for credit granted.

3.7.2.2 Microfinance Banks Investments (MFBI): The Regulatory and Supervisory Framework for Microfinance Banks (MFBs) (RSF) (2005) in Nigeria, Section 19(a) stipulates that MFBs shall be required to maintain not less than 5% of their deposit liabilities in Treasury Bills (TBs). Under Permissible Activities, the RSF, (3j) (2005), MFBs are allowed to invest their surplus funds in suitable instruments including placing such funds with correspondent banks. The (3b) of the RSF (2205) allows MFBs to invest in shares or equity

of anybody corporate, the objective of which is to provide microfinance services to poor persons: while (3g) encourages MFBs. To invest in cottage industries and income generating projects for the poor as may be prescribed by the CBN.

All these aggregate the Microfinance Banks Investments used as proxy in this study.

3.7.3 Controlled Variables

Onwumere (2009) sees controlled variable as those variables whose impacts must be controlled or neutralized in order to limit their influence on both the dependent and independent variables that are under study. Deducing from the foregoing fact, this study deemed it fit to control the following variables:

3.7.3.1 M_2 (RLL_GDP): In accordance with the Statistical Bulletin (2011), M_2 comprises M_1 plus quasi money where M_1 encompass currency outside banks plus demand deposits and quasi money equal time, savings and foreign currency deposits of commercial banks and merchant banks and other private sector deposits at merchant banks. The status of M_2 has direct bearing on microfinance activities. An increase in M_2 will lead to an increase in the volume of microfinance deposit and more available fund for credit.

3.7.3.2 Interest Rate (IR): The interest rate controlled is the lending rate. The CBN prime rate is adopted and not the commercial/merchant bank rates. The prime rate is the interest rate at which the CBN will discount a first-class bill. Fluctuations in this rate will affect microfinance banks activities. The lowering of the prime rate with corresponding lower lending rate by the microfinance banks will lead to higher turnover of microfinance banks credit and vice versa.

3.7.3.3 Federal Government Capital Expenditure (RGE_GDP): Federal Government Expenditure falls under two headings: Recurrent Expenditure and Capital Expenditure. Recurrent expenditure involves expenditure on items that do not go beyond a fiscal year. Such expenses include personnel costs on government staff. On the other hand, capital expenditure involves expenditure whose benefits go beyond a fiscal year. They include expenditure on roads, schools, hospitals, etc. Expenditure on this heading involves large amount of money. While the recurrent expenditure is commonly for the benefit of individuals, capital expenditure is commonly for the welfare of the people. Higher capital expenditure will lead to higher standard of living of a people in a geographic area and better quality of life.

References

- Asika, N. (2006). Research methodology in behavioural sciences, Lagos, Longman Nigeria Plc.
- Bello and Rogian (2010). Has poverty reduced in Nigeria 20 years after? European Journal of Social Sciences 15(1), 7-17.
- Central Bank of Nigeria (2005). Regulatory and supervisory framework for microfinance banks in Nigeria.
- Central Bank of Nigeria (2010). Annual report.
- Central Bank of Nigeria (2011). Statistical bulletin.
- Ibenta, S.N.O. (2012). Research monograph, Enugu, African Basic Economy Ltd.
- Onwumere, J.U.J. (2009). Business & economics research method, Enugu, Vangasan Ltd.

CHAPTER FOUR

DATA PRESENTATION AND ANALYSIS

4.1 Data Presentation and Interpretation

The data used in this study were decomposed into main variables data, controlled variables data and transformed data. Precisely, main variables comprise total deposits of microfinance banks, their total credit, microfinance banks' investments, poverty index of Nigeria, Employment Ratio, Nigeria's Gross Domestic Product (GDP), and the total population of Nigeria. The controlled variables are with respect to money supply component (M_2), interest rates, and federal government capital expenditure, while the transformed variables include microfinance banks activities measured by the ratio of total deposits of microfinance banks in Nigeria to their total credits; income per capita measured by the ratio of GDP to the total population of the country; liquid liability which is the ratio of M_2 to GDP, and the ratio of government capital expenditure to GDP respectively. The annualized values of these sets of data are as shown in the tables 4.1, 4.2 and 4.3 below:

Table 4.1: Annualized Values of the Main Research Variables 1993 – 2012

Year	Total Deposit of Microfinance Bank (₦M)	Total Credit of Microfinance Bank (₦M)	Microfinance Banks Investments (₦Million)	Poverty Index PI (%)*	Employment Ratio (%) **	GDP @ Current B/Price (₦million)	Nigeria Population Estimates
1993	2,188.2	708.2	326.60	49.0	97.3	683869.8	94,159,224
1994	2,721.2	1147.80	491.40	54.7	98.0	899863.2	96,883,035
1995	3,344.2	1366.40	334.36	60.0	98.2	1933211.6	99,653,890
1996	3,356.4	1480.10	254.00	65.5	97.1	2702719.1	102,633,542
1997	2,730.4	1501.20	384.00	65.5	94.6	2801972.6	105,702,284
1998	3,870.8	1972.50	218.40	69.5	96.2	2708430.9	108,862,783
1999	5,102.8	2631.00	4436.00	72.0	96.9	3194015.0	112,117,780
2000	7,689.4	3666.60	450.20	74.0	81.9	4582127.3	115,470,102
2001	3,294.0	1314.00	394.38	83.1	86.3	4725086.0	118,800,699
2002	9,699.0	4310.90	925.50	88.0	87.8	6912381.3	122,364,720
2003	18,075.0	9954.80	2261.00	71.2	85.2	8487031.6	121,152,844
2004	21,407.9	11353.80	2612.70	54.4	88.2	11411066.9	129,927,425
2005	47,523.7	28504.80	3594.10	54.4	88.1	14572239.1	133,702,006
2006	34,008.8	16498.60	2712.19	54.0	87.7	18564594.7	140,431,790
2007	33,008.3	16450.80	3715.70	54.0	87.3	20657317.7	144,483,655
2008	58,481.3	42024.40	7295.30	54.0	85.1	24296329.3	149,107,132
2009	72,750.6	55818.90	8025.00	54.0	80.3	24794238.7	153,878,560
2010	76,483.7	54348.60	8674.20	69.0	78.1	29205782.9	158,802,674
2011	86,044.0	67632.40	8956.30	71.5	76.1	32421760.0	169360767.6
2012	98,789.10	80127.86	14078.30	72.3	73.5	40544,099.94	164487469.5

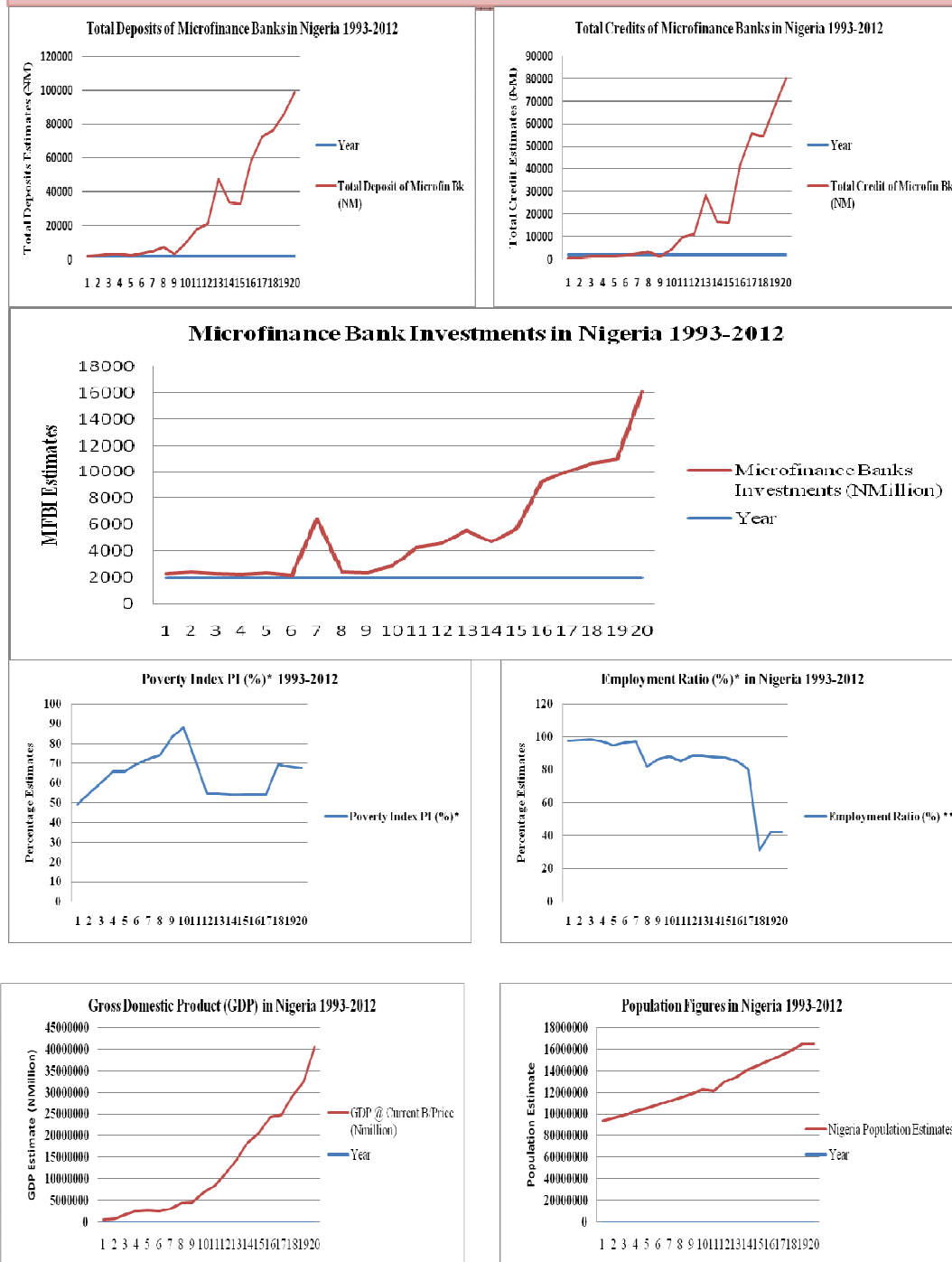
Sources: CBN Statistical Bulletin 2012 (Columns 2, 3, 6, & 8); NPC, 2013; (Column 7): NBS, 2012 (* and **)

Table 4.1 and figure 4.1 are schedule and chart respectively representing the values of the main variables over a period of twenty years. A cursory look at the chart depicts different behaviours amongst the variables. Generally, the seven major variables used in the study revealed various degrees of fluctuations. Specifically, total deposit and total credit of microfinance banks exhibited similar feature in agreement with theory and empirical evidence that bank deposits determine bank loans (Baye and Jansen, 2006; Pandey, 2006; David, 2011; Eleje and Ani, 2013). Both variables showed creeping and gradual movements from 1993 to 2001. The trend steeply moved upward but suddenly dropped between 2006/2007. Thereafter, they reversed in another upward direction and continued persistently throughout the remaining period of study. Meanwhile, the period 1993-2001 could be regarded as a period of extreme poor performance by microfinance (community) banks in Nigeria. Among important responsible factors, government's imposition of ceiling on interest rates over this period led to

the inability of many community banks to recover their costs and eventually many became distressed. On the other hand, the rationale for the upward steep movements of total deposit and total credit of microfinance banks from 2004 upwards could be attributable to policies of the monetary authorities aimed at boosting microcredit for national development. Precisely, the period 2004 marked the inauguration of the National Microfinance Policy and consequent introduction of microfinance banks (MFBs) by the Central Bank of Nigeria (CBN) as a measure to address the poor performance of community banking in Nigeria (Okafor, 2011).

Microfinance banks activity in respect of their investments over the twenty years period was also not completely inconsistent with their deposits and credits performance. The pattern of their investment behavior is captured in the spot-picture in fig 4.1. A cursory observation of this figure reveals a sharp upward movement of microfinance banks investments in 1999. The implication is that the inception of the present democracy opened up more investment opportunities for microfinance (community) banks in Nigeria. The tempo soon fell significantly as microfinance (community) banks investments dropped sharply immediately after 1999. However, it started picking up from 2003 following National Microfinance Policy inauguration and fluctuated gently upward till 2012.

Fig. 4.1 Graphical Presentation of the Main Research Variables



Source: Estimated from table 4.1 Using Microsoft Excel Computer Statistics (Version 2007)

The behaviors of poverty and employment indicators as pictured in the same chart (fig 4.1) were not too encouraging for a developing nation like Nigeria. There were occasional hikes at the early stage of the research period from 1993 up to 2002 when poverty index got to its climax. This was preceded by immediate sharp drops and subsequent gradual fluctuations

throughout the remaining period. Meanwhile, anecdotal evidence (CBN, 2011) confirmed that the measures of the poverty level in Nigeria worsened in 2011 when compared with their levels in 2010. The estimated poverty measures, using the relative, absolute and US dollar per day were 71.5%, 61.9% and 62.8% respectively. Employment ratio was persistently on the downward trend with some slight occasional rise over the period. The implication is an increase in unemployment problem in Nigeria. In agreement, a General Household Survey (GHS) conducted by the National Bureau of Statistics (NBS, 2011) under the auspices of the annual NBS/CBN Collaborative Survey initiative revealed that the national unemployment rate increased to 23.9% in 2011, from 21.4% in 2010. Buttressing, the unemployment rate in the rural and urban areas were 25.6% and 17.1%, compared with 20.7% and 22.8% respectively in 2010. Again, the unemployment rate by gender was 23.5% and 24.3% for males and females, respectively.

The Gross Domestic Product (GDP) of Nigeria and the country's population figures however increased over the period of investigation. Although there was dwindled growth in GDP during the military era 1993-1999 precisely, the tempo changed at the eve of the civilian administration and remained at increased rate throughout the period covered. In fact, provisional data from the National Bureau of Statistics (NBS, 2011) show that the estimated GDP measured at 1990 constant basic price stood at ₦833.4 billion in 2011. The figure indicated a GDP growth of 7.4% in 2011 and an annual GDP growth average of 7.0% over the period 2007-2011 respectively. Similarly, population kept the pace and grew all through the period. The National Population Commission (NPC) estimated Nigeria's population at 167.9 million in 2011 based on an annual population growth rate of 2.3% (CBN, 2011).

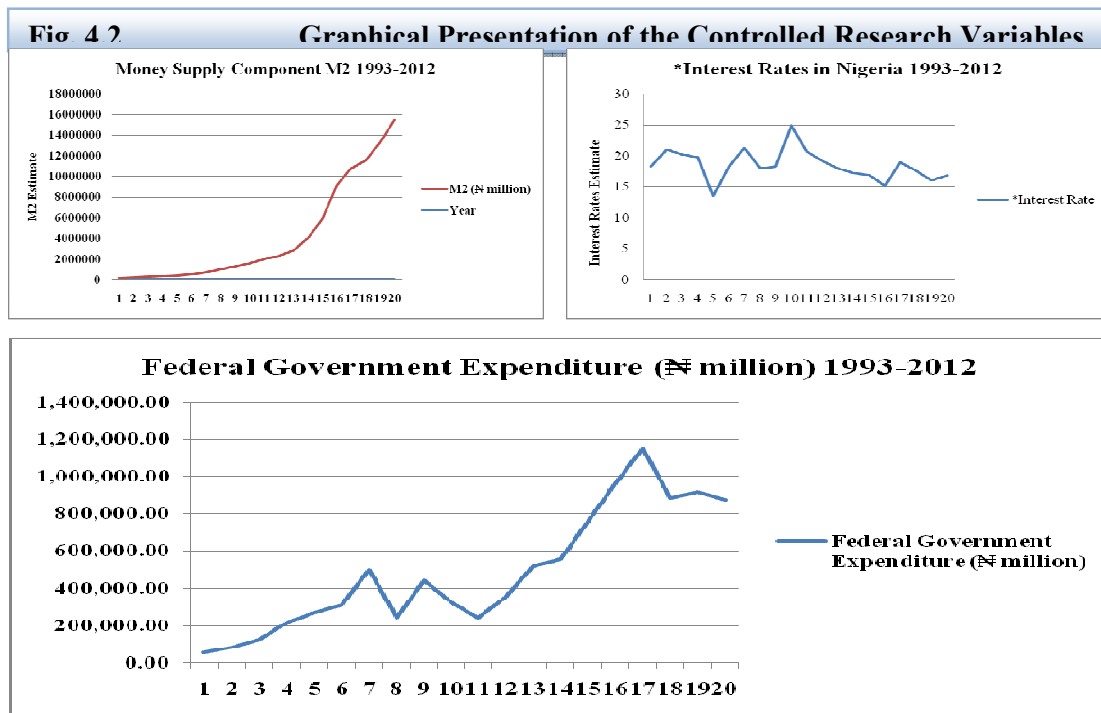
Table 4.2: Annualized Values of the Controlled Research Variables 1993 – 2012

Year	M2 (₦ million)	*Interest Rate	Federal Government Capital Expenditure (₦ million)
1993	198479.20319	18.32	54,501.80
1994	266944.88647	21.00	79,918.30
1995	318763.46635	20.18	121,138.30
1996	370333.52547	19.74	212,926.30
1997	429731.33054	13.54	269,651.70
1998	525637.80000	18.29	309,015.6
1999	699733.70473	21.32	498,027.90
2000	1036079.54658	17.98	239,450.90
2001	1315869.14642	18.29	438,696.50
2002	1599494.60000	24.85	321,378.10
2003	1985191.83300	20.71	241,688.30
2004	2263587.88013	19.18	351,250.00
2005	2814846.07912	17.95	519,470.00
2006	4027901.69624	17.26	552,385.80
2007	5809826.48063	16.95	759,281.20
2008	9166835.30506	15.14	960,890.10
2009	10780627.14255	18.99	1,152,796.50
2010	11525530.34186	17.59	883,870.00
2011	13303494.50000	16.02	918,548.90
2012	15483,847.50000	16.79	874,762.27

Sources: CBN Statistical Bulletin 2012.

The annual values of the selected macroeconomic indicators with respect to financial sector development, monetary/fiscal policy activities and government finances in Nigeria as defined over a twenty year period are presented in table 4.2 while figure 4.2 represents the graphs of these indicators. The graphs allow simultaneous examination of the data as an aggregate while clearly displaying the behaviour of individual cases overtime. A careful observation of the graphs show that the variables fluctuated over the period covered with broad money (M2) revealing smoother and gentle upward swing than the remaining other two variables. Meanwhile, a glance at the graph reveals that the Nigerian financial sector proxied by M2 remained relatively low and stable at the beginning of the period up to early 2000s. The situation changed rapidly manifesting steeper slope from mid 2000s; precisely from 2005 upwards with M2 doubling in magnitude continuously till the end of the research period. The reason however is not farfetched. The banking sector capitalization of 2004 injected fresh financial vitality into the Nigeria financial system and thus magnified her broad money.

Over the same period of study, interest rate fluctuated between approximately 13% low in 1997 and peaked at 24% in 2002. From 1994 to 1997, the intervention activities of the Central Bank of Nigeria at both the parallel market and Autonomous Foreign Exchange Market (AFEM) appreciated the naira exchange value resulting in a fixed foreign exchange regime which pegged the official foreign exchange rate of naira to dollar at N21.8861 (Onwumere and Eleje, 2008/09). During this time, interest rate witnessed persistent downward movement (see fig 4.2). The 2004 banking sector consolidation did not leave without any effect on interest rate. Apparently after its peak in 2002, interest rate reversed and fluctuated downward throughout the research period.



Source: Estimated from table 4.2.

Federal government capital expenditure also fluctuated over the research period. It was relatively low at the early stage of the period up to the inception of democracy in 1999. The era of civilian administration witnessed an upward and persistent shift in government capital expenditure. Between 2004 when the National Microfinance Policy was initiated by Central Bank of Nigeria (CBN) and 2009, the federal government recorded the highest investment in capital expenditure in Nigeria over the investigation period.

Table 4.3 represents values of transformed research variables including microfinance banks activities, measure of the standard of living in Nigeria, liquid liabilities, and ratio of government expenditure to GDP.

Table 4.3: Annualized Values of the Transformed Research Variables 1993 – 2012

Year	Microfinance Activities) *	Income per Capita (Standard of Living)*	Liabilities) **	Government Expenditure /GDP**
1993	3.089805	7262.91	0.2902	0.0797
1994	2.370796	9288.14	0.2967	0.0788
1995	2.447453	19399.26	0.1649	0.0627
1996	2.267685	26333.68	0.1370	0.0788
1997	1.818812	26508.16	0.1534	0.0962
1998	1.962383	24879.31	0.1941	0.1141
1999	1.939491	28488.03	0.2191	0.1559
2000	2.097147	39682.38	0.2261	0.0523
2001	2.506849	39773.22	0.2785	0.0928
2002	2.249878	56489.99	0.2314	0.0465
2003	1.815707	70052.27	0.2339	0.0285
2004	1.885527	87826.47	0.1984	0.0308
2005	1.667217	108990.43	0.1932	0.0356
2006	2.061314	132196.53	0.2170	0.0298
2007	2.006486	142973.39	0.2812	0.0368
2008	1.391603	162945.45	0.3773	0.0395
2009	1.303333	161128.61	0.4348	0.0465
2010	1.40728	183912.41	0.3946	0.0303
2011	1.27223	197259.73	0.4103	0.0283
2012	1.23289	246487.47	0.3820	0.0216

Sources: * Computed from table 4.1 where income per capita is the ratio of population to GDP

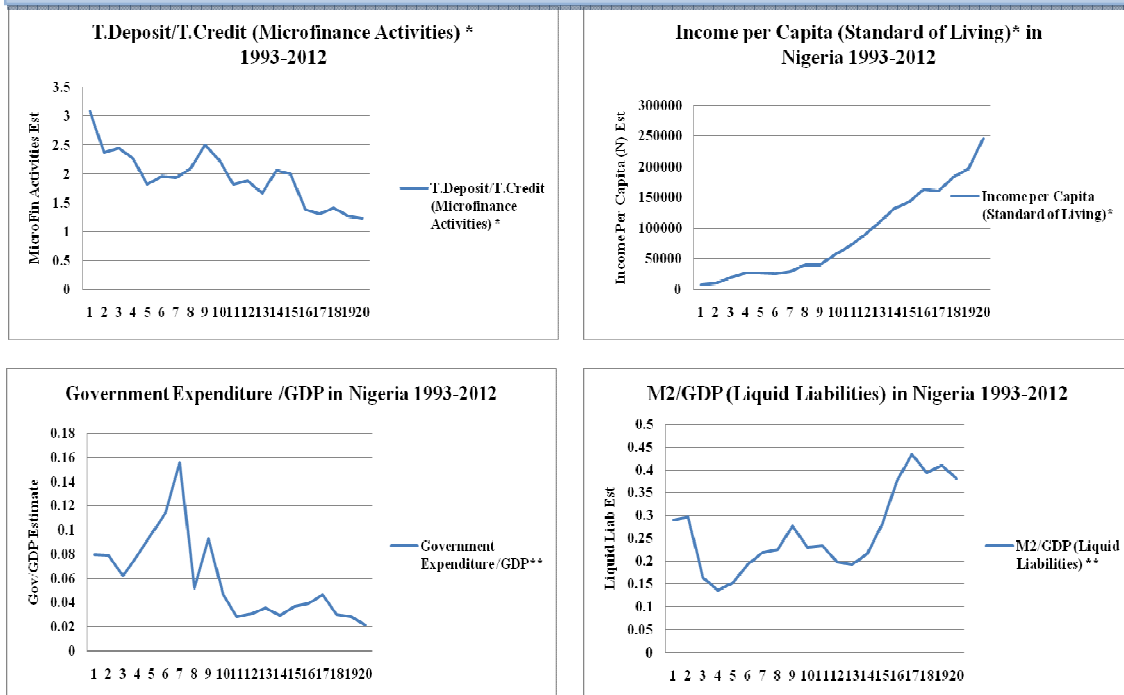
** Computed from table 4.1 and table 4.2

Meanwhile, the justification of table 4.3 is obvious. In time series empirical analysis, some data could be “transformed” and its ratio used in analysis. This is necessary to introduce smoothness in the data overtime by dampening the fluctuations resulting in a systematic pattern in the disturbances (William, 2000; Gujaratti and Porter, 2009; etc). Figure 4.3 shows the graphs of microfinance banks activities, measure of the standard of living, liquid liabilities, and ratio of government expenditure to GDP. A visual examination of the graphs reveals a systematic fluctuating pattern in the variables overtime.

The ratio of total deposit to total credit of microfinance banks which is a measure of their activities over the period was discouraging as it fluctuated downward and continued all through the research period. Evidence from the table (4.3) indicates that on the average, the rate at which total deposit covered loans of the banks is twice (2x) with a maximum of three times (3x) only at the inception of the research period in 1993. The implication of this is poor

deposit base for microfinance banks thus making loan advancement to prospective clients difficult. The income per capita in Nigeria over the period of study exhibited gradual and gentle upward swing all through the period. The graph, figure (4.3) is similar to that of the GDP in fig. 4.1. Like the GDP, there was dwindled growth in per capita income during the military era 1993-2000 precisely. The tempo change at the eve of the civilian administration and remained at increased rate throughout the period covered. Government capital expenditure to GDP was also low and fluctuated between approximately 15% in 1999 to as low as approximately 2% in 2012. For liquid liabilities, the outcome was slightly below average. It fluctuated between approximately 14% in 1996 to approximately 43% in 2009.

Fig. 4.3 Graphical Presentation of the Transformed Research Variables 1993



Sources: *Estimated from table 4.3 Using Microsoft Excel Computer Statistics (Version 2007)

4.2 Data Analysis

4.2.1 Descriptive Statistical Analysis

The statistical properties of the data presented in 4.1 were further confirmed with the help of descriptive statistics. The concern basically was to get a more feel of the data through summary statistics comprising the mean, median, standard deviation, amongst others. This was done to form the basis for a clearer appreciation of the more extensive inferential statistical analysis which subsequently followed. Accordingly, the descriptive statistics below are in respect of the basic variables of the study which include Poverty Index (PI),

Employment Rate (ER), Ratio of GDP to Total Population (RGDP_TP), Gross Domestic Product (GDP), Ratio of Total Deposit of Microfinance to Total Credit (RTD_TC), Microfinance Bank Investment (MFBI), Ratio of M₂ to GDP, i.e, Liquid Liabilities (RLL_GDP), Interest Rate (IR), and Ratio of Government Capital Expenditure to GDP respectively.

Table 4.4 represents the descriptive statistics of the employed variables of this study. The outcome of these statistics is very informative.

Table 4.4 Descriptive Statistics of Employed Research Variables

	PI	ER	RDP_TP	GDP	RTD_TC	MFBI	RLL_GDP	IR	RGE_GDP
Mean	63.91579	84.70000	80283.70	1.13E+13	1.976895	2950.596	0.259584	18.59474	0.061258
Median	65.50000	87.80000	56489.99	6.91E+12	1.962383	2261.000	0.231400	18.29000	0.046500
Maximum	88.00000	98.20000	246487.47	3.24E+13	3.089805	8956.300	0.434800	24.85000	0.155900
Minimum	49.00000	31.00000	7262.910	6.84E+11	1.272230	218.4000	0.137000	13.54000	0.028300
Std. Dev.	10.91606	17.99469	64503.07	1.05E+13	0.462580	3120.679	0.088937	2.492258	0.035122
Skewness	0.595598	-2.146061	0.526311	0.719854	0.380818	0.886485	0.655669	0.362281	1.155962
Kurtosis	2.491635	6.584189	1.768747	2.078922	3.054046	2.337580	2.323955	3.798299	3.739058
Jarque-Bera	1.327929	24.75440	2.077330	2.312573	0.461551	2.835924	1.723175	0.920131	4.663863
Probability	0.514806	0.000004	0.353927	0.314652	0.793918	0.242207	0.422491	0.631242	0.097108
Sum	1214.400	1609.300	1525390.	2.16E+14	37.56100	56061.33	4.932100	353.3000	1.163900
Sum Sq.									
Dev.	2144.885	5828.560	7.49E+10	1.98E+27	3.851641	1.75E+08	0.142375	111.8043	0.022204
Observations	20	20	20	20	20	20	20	20	20

Source: Researcher's E-view Based Result 2014.

The average value for poverty index over the twenty year period is approximately 63.92%. This rate is high and indicates that Nigeria still has a lot to do to combat poverty. The maximum level of poverty over the period covered was approximately 88% while the minimum level was 49%. Employment rate was encouragingly high at 84.70% on the average with maximum and minimum levels placed at 98.2% and 31% respectively. This however is contrary to *apriori* expectation. With the high rate of average poverty recorded over the period, one would expect that employment will be low since theoretically as evidenced in the literature, employment drives poverty (NBS, 2005).

Income per capita measured by the ratio of GDP to population and used as proxy for standard of living had a mean average of ₦80,283.70 per annum over the twenty year period. The maximum and minimum income per head per annum over the period was ₦246,487.47 and ₦7,262.91 respectively. This means that an average Nigerian over this period spent approximately ₦220 per day. The maximum income per day was ₦675.31 while the minimum income per day was ₦19.90. Meanwhile, this figure of course is below UN poverty benchmark of \$1.25. The implication of this statistic therefore is that the nation's standard of living has been poor, thus confirming the poverty index statistic and at the same time agreeing with existing literature (Okpara, 2010). The Gross Domestic Product (GDP) of Nigeria which is the measure of the aggregate economic performance of the economy recorded over the period average of ₦1.3trillion with a maximum GDP per annum of ₦3.24trillion and minimum GDP per annum of approximately ₦684 billion, respectively.

Furthermore, liquid liabilities measured by the ratio of M_2 to GDP were generally low over the period. From table 4.4, the mean average ratio was approximately 0.26. By implication, the money supply aggregate, M_2 contributed only about 2.6% per annum to GDP over the period of this investigation. The maximum and minimum contributions of M_2 to GDP were 4.35% and 1.37%. The mean average interest rates for banks stood at 18.59% over the study timeframe with a maximum value of 24.85% and minimum value of 13.54%. Lastly, the ratio of government expenditure to GDP was relatively low with mean average of approximately 0.6% per annum. The maximum ratio is 1.56% while the lowest ratio is 0.28% respectively.

Lastly, the mean average of the ratio of microfinance total deposit to total credit over the period covered was approximately 1.98. This means higher deposit to credit and an indication of moderate liquidity of microfinance banks. Liquidity of microfinance banks was highest at 3.09 and lowest at 1.27 respectively over the twenty year period studied. Microfinance banks investments overtime was low with a mean average of ₦2950.59 million. The banks investments was maximum at ₦8956.30 million and lowest at ₦218.40 million.

Other identified statistics such as the standard deviation, the median, skewness, kurtosis, and Jarque-bera threw more light on the facts discussed. However, rather than exhausting much time on these statistics and for robustness sake in drawing the study conclusion, it became appropriate at this juncture to further employ the inferential statistics.

4.3 Test of the Research Hypotheses

The five hypotheses formulated in chapter one were tested along the line of the models specified for the purpose in chapter 3 (3.5). They were tested with multiple linear regression technique. The rationale was to generate optimal multivariate estimators of the coefficient

parameters at 95% confidence level. Meanwhile, all the operations were performed with the aid of computer econometric view (E-View) version 7 and results were analysed as follows:-

4.3.1. Hypothesis One:

The null and the alternate forms of hypothesis one are hereunder stated as:

H_0 : Microfinance banks' activities do not have a significant positive impact on poverty alleviation in Nigeria.

H_1 : Microfinance banks' activities have a significant positive impact on poverty alleviation in Nigeria.

Decision Rule:

1. When the coefficient estimate is positively signed, and the calculated t-value greater than the critical t-value (from the table), reject the null hypothesis and accept the alternate hypothesis.
2. When the coefficient estimate is negatively signed, and the calculated t-value less than the critical t-value (from the table), accept the null hypothesis and reject the alternate hypothesis.

Interpreting the E-View Regression Results for Hypothesis One

Table 4.5 represents the e-view output of the multiple linear regression test. The estimated coefficients of the explanatory variables in the equation are as presented in equation 4.1:

Table 4.5: Regression Results for Hypothesis One

Dependent Variable: PI				
Method: Least Squares				
Sample: 1993 2012				
Included observations: 20				
Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	39.05643	25.00034	1.562236	0.1405
RTD_TC	-6.056635	6.855899	-0.883420	0.3919
RLL_GDP	-10.63364	33.54692	-0.316978	0.7559
IR	1.859153	1.104316	1.683534	0.1144
RGE_GDP	81.99019	80.45040	1.019140	0.3254
R-squared	0.232711	Mean dependent var		63.91579
Adjusted R-squared	0.013486	S.D. dependent var		10.91606
S.E. of regression	10.84220	Akaike info criterion		7.825703
Sum squared resid	1645.746	Schwarz criterion		8.074240
Log likelihood	-69.34418	Hannan-Quinn criter.		7.867765
F-statistic	1.061516	Durbin-Watson stat		0.826944
Prob (F-statistic)	0.411622			

Source: Researcher's E-view Based Result 2014.

$$PI = 39.06 - 6.057 RTD_TC - 10.633 RLL_GDP + 1.859 IR + 81.990 RGE_GDP \dots 4.1$$

The result in the above equation shows an intercept of 39.06. This value is positive but statistically insignificant with p-value of 0.14 greater than 0.05. Hence this is an indication that poverty index will be constant at 39.06% when there is no change in the explanatory variables. The coefficient of total deposit to total credit (RTD_TC) is negative but not significant wherein p-value of 0.39 is greater than 0.05. The negative coefficient (-6.057) of total deposit to total credit revealed that for every one per cent (1%) increase in RTD_TC over the period of study holding other variables constant, poverty index decreased by approximately 6.057%. In other words, an inverse relationship exists between RTD_TC and index of poverty. The RTD_TC result is however encouraging as it is consistent with existing theory and empirical evidence (Okpara, 2010; Audu and Achegbulu 2011; Ilegbinosa and Opara 2014). The implication is that the more people deposit money in microfinance banks, the less the index of poverty in Nigeria since the banks will have more money to advance to prospective loan participants who in turn invest the money for economic development.

Controlling for other variables that impact on poverty rate in Nigeria, liquid liabilities (RLL_GDP) showed negative but insignificant p-value. A one percent (1%) increase in liquid liabilities over the period of study decreased poverty by 10.63%. Interest rate (IR) revealed positive but insignificant (0.11) result. A one percent (1%) increase in interest rate over the period of study increased poverty index by 1.86%. Similarly, a one percent (1%) increase in the ratio of government expenditure to GDP (RGE_GDP) over the period of study increased poverty index by 81.99%. Meanwhile, the outcome of the relationship between RGE_GDP and poverty is questionable. One would expect a decrease in poverty when government spends more but the situation as revealed in this result is different. The possible implication is corruption. A lot of money must have been approved and deducted for development but were never utilized appropriately for that purpose. This finding is therefore very informative to policy.

The coefficient of determination (R^2) measures the goodness of fit of the regression equation. For equation 4.1, the coefficient revealed that 23.27% variation in poverty index were explained by the regression model, while the remaining 79.73% variation in poverty index may be as a result of other variables not included in the regression model. Adjusting further (adjusted R^2) for the coefficient of determination (adjusted $R^2 = 0.0135$) confirmed that only 1.35% variation in the dependent variable was explained by the independent variable within the period of study. This result confirms why the p-values of all the explanatory variables were not significant.

Decision

Since the coefficient estimate is -6.056635 and the calculated t-value -0.883420 which is less than the table t-value of 1.7293, we accept the null hypothesis which stated that Microfinance banks' activities do not have a significant positive impact on poverty alleviation in Nigeria.

4.3.2 Hypothesis Two:

The null and the alternate forms of hypothesis two are hereunder stated as:

- H₀: Microfinance banks' activities do not have a significant positive impact on employment generation in Nigeria.
- H₁: Microfinance banks' activities have a significant positive impact on employment generation in Nigeria.

Decision Rule:

1. When the coefficient estimate is positively signed, and the calculated t-value greater than the critical t-value (from the table), reject the null hypothesis and accept the alternate hypothesis.
2. When the coefficient estimate is negatively signed, and the calculated t-value less than the critical t-value (from the table), accept the null hypothesis and reject the alternate hypothesis.

Interpreting the E-View Regression Results for Hypothesis Two

Table 4.6 represents the e-view output of the multiple linear regression test. The estimated coefficients of the explanatory variables in the equation are as presented in equation 4.2:

Table 4.6: Regression Results for Hypothesis Two

Dependent Variable: ER

Method: Least Squares

Sample: 1993 2012

Included observations: 20

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	72.39987	30.25333	2.393121	0.0313
RTD_TC	11.56433	8.296438	1.393891	0.1851
RLL_GDP	-87.83918	40.59569	-2.163756	0.0483
IR	0.286930	1.336351	0.214712	0.8331
RGE_GDP	112.7192	97.35437	1.157823	0.2663
R-squared	0.586518	Mean dependent var		84.70000
Adjusted R-squared	0.468381	S.D. dependent var		17.99469
S.E. of regression	13.12033	Akaike info criterion		8.207137
Sum squared resid	2410.002	Schwarz criterion		8.455673
Log likelihood	-72.96780	Hannan-Quinn criter.		8.249199
F-statistic	4.964708	Durbin-Watson stat		1.408878
Prob(F-statistic)	0.010550			

Source: Researcher's E-view Based Result 2014.

$$ER = 72.40 + 11.564RTD_TC - 87.84RLL_GDP + 0.287IR + 112.72RGE_GDP \dots 4.2$$

The above equation revealed an intercept of 72.40. This value is positive and statistically significant with p-value of 0.03 lesser than 0.05. Hence this is an indication that employment rate will be constant at 72.40% when there is no change in the explanatory variables. The coefficient of total deposit to total credit (RTD_TC) is positive but not significant wherein p-value of 0.185 is greater than 0.05. The positive coefficient (11.56) of total deposit to total

credit revealed that for every one per cent (1%) increase in RTD_TC over the period of study holding other variables constant, employment rate increased by approximately 11.56%. In other words, a direct relationship exists between RTD_TC and employment rate. The RTD_TC result is still encouraging as it is consistent with existing literature (Ayopo, 2011; Odebiyi and Olaoye, 2012; Olowe, Moradeyo, and Babalola, 2013). The implication is that the more people deposit money in microfinance banks, the more the employment rate in Nigeria since the banks will have more money to advance to prospective loan participants who in turn create more jobs by investing the money wisely.

Controlling for other variables that impact employment rate in Nigeria, liquid liabilities (RLL_GDP) showed negative and significant p-value. A one percent (1%) increase in liquid liabilities over the period of study decreased employment rate by 87.84%. Interest rate (IR) still showed positive but insignificant (0.83) result. A one percent (1%) increase in interest rate over the period of study increased employment by 28.7%. Similarly, a one percent (1%) increase in the ratio of government expenditure to GDP (RGE_GDP) over the period of study increased employment rate by 112.72%.

Verifying further for the strength of the above results, the coefficient of determination (R^2) for equation 4.2 revealed that 58.65% variation in employment rate were explained by the regression model, while the remaining 41.35% variations were due to other variables not included in the regression model. Adjusting further for the coefficient of determination, the (adjusted $R^2 = 0.4684$) confirmed that only 46.84% variation in the dependent variable was actually explained by the independent variable within the period of study.

Decision

The coefficient estimate is 11.56433 and the calculated t-value is 1.393891 while the table t-value is 1.7293. Though the calculated t-value is fairly less than the table t-value while the coefficient estimate is positively signed, we reject the null hypothesis and accept the alternate hypothesis which stated that Microfinance banks' activities have significant positive impact on employment generation in Nigeria.

4.3.3 Hypothesis Three:

The null and the alternate forms of hypothesis three are hereunder stated as:

- H_0 : Microfinance banks' activities do not have a significant positive impact on standard of living in Nigeria.
- H_1 : Microfinance banks' activities have a significant positive impact on standard of living in Nigeria.

Decision Rule:

1. When the coefficient estimate is positively signed, and the calculated t-value greater than the critical t-value (from the table), reject the null hypothesis and accept the alternate hypothesis.
2. When the coefficient estimate is negatively signed, and the calculated t-value less than the critical t-value (from the table), accept the null hypothesis and reject the alternate hypothesis.

Interpreting the E-View Regression Results for Hypothesis Three

Table 4.7 represents the e-view output of the multiple linear regression test. The estimated coefficients of the explanatory variables in the equation are as presented in equation 4.3:

Table 4.7: Regression Results for Hypothesis Three

Dependent Variable: RDP_TP				
Method: Least Squares				
Sample: 1993 2012				
Included observations: 20				
Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	232244.6	57916.57	4.009986	0.0013
RTD_TC	-60863.42	15882.59	-3.832085	0.0018
RLL_GDP	245333.1	77715.85	3.156796	0.0070
IR	-2829.447	2558.292	-1.105991	0.2874
RGE_GDP	-697250.7	186373.9	-3.741139	0.0022
R-squared	0.882065	Mean dependent var		80283.70
Adjusted R-squared	0.848369	S.D. dependent var		64503.07
S.E. of regression	25117.38	Akaike info criterion		23.32144
Sum squared resid	8.83E+09	Schwarz criterion		23.56998
Log likelihood	-216.5537	Hannan-Quinn criter.		23.36350
F-statistic	26.17733	Durbin-Watson stat		1.968221
Prob(F-statistic)	0.000002			

Source: Researcher's E-view Based Result 2014.

$$RDP_TP = 232244.6 - 60863.42RTD_TC + 245333.1RLL_GDP - 2829.45IR - 697250.7RGE_GDP \dots 4.3$$

Equation 4.3 shows a regression line intercept of ₦232,244.6. The value is positive and statistically significant with p-value of 0.0013 less than 0.05. Hence this is an indication that income per capita in Nigeria will be constant at ₦232,244.6 per annum when there is no change in the explanatory variables. The coefficient of total deposit to total credit (RTD_TC) is negative but statistically significant with p-value of 0.0018 less than 0.05. The negative coefficient (-60863.42) of total deposit to total credit revealed that for every one per cent (1%) increase in RTD_TC over the period of study holding other variables constant, per capita income per annum in Nigeria decreased by approximately ₦60,863.42. In other words and similar to poverty index, an inverse relationship exists between RTD_TC and per capita income. This result agrees with Okpara (2010) but disagrees with Ilegbinosa and Opara (2014).

While controlling for other variables that impact income per capita in Nigeria, liquid liabilities (RLL_GDP) showed positive and significant p-value. A one percent (1%) increase in liquid liabilities over the period of study increased income per capita by ₦245,333.1 per annum. Interest rate (IR) revealed negative but insignificant (0.2874) result. A one percent (1%) increase in interest rate over the period of study decreased per capita income by approximately ₦2,829.5 per annum. Similarly, a one percent (1%) increase in the ratio of government expenditure to GDP (RGE_GDP) over the period of study decreased per capita income by ₦697,250.7 per annum.

Measuring the goodness of fit of the regression equation, the coefficient of determination (R^2) for equation 4.3 revealed that 88.21% variation in per capita income were explained by the regression model, while the remaining 11.59% variation were due to other variables not included in the regression model. Adjusting further for the coefficient of determination, adjusted R^2 confirmed that up to 84.84% variation in the dependent variable was explained by the independent variable within the period of study. This result confirms why the p-values of all the explanatory variables except interest rate were significant.

Decision

Since the result of the coefficient estimate is -60863.42 and the calculated t-value is -3.832085, the null hypothesis which stated that the Microfinance banks' activities do not have significant positive impact on standard of living in Nigeria is accepted.

4.3.4. Hypothesis Four:

The null and the alternate forms of hypothesis one four hereunder stated as:

H_0 : Microfinance banks' investments do not have a significant positive impact on poverty alleviation in Nigeria.

H_1 : Microfinance banks' investments have a significant positive impact on poverty alleviation in Nigeria.

Decision Rule:

1. When the coefficient estimate is positively signed, and the calculated t-value greater than the critical t-value (from the table), reject the null hypothesis and accept the alternate hypothesis.
2. When the coefficient estimate is negatively signed, and the calculated t-value less than the critical t-value (from the table), accept the null hypothesis and reject the alternate hypothesis.

Interpreting the E-View Regression Results for Hypothesis Four

Table 4.8 represents the e-view output of the multiple linear regression test. The estimated coefficients of the explanatory variables in the equation are as presented in equation 4.4:

Table 4.8: Regression Results for Hypothesis Four

Dependent Variable: PI Method: Least Squares Sample: 1993 2012 Included observations: 20				
Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	30.87789	23.86522	1.293845	0.2167
MFBI	1.97E-05	0.001473	0.013385	0.9895
RLL_GDP	-0.105423	49.25803	-0.002140	0.9983
IR	1.561580	1.107564	1.409923	0.1804
RGE_GDP	64.80692	81.99542	0.790372	0.4425
R-squared	0.189949	Mean dependent var		63.91579
Adjusted R-squared	-0.041494	S.D. dependent var		10.91606
S.E. of regression	11.14023	Akaike info criterion		7.879937
Sum squared resid	1737.466	Schwarz criterion		8.128474
Log likelihood	-69.85940	Hannan-Quinn criter.		7.921999
F-statistic	0.820716	Durbin-Watson stat		0.649111
Prob(F-statistic)	0.533182			

Source: Researcher's E-view Based Result 2014.

$$PI = 30.87789 + 1.97E-05MFBI - 0.105423RLL_GDP + 1.561580IR + 64.80692RGE_GDP \dots 4.4$$

The result in the above equation 4.4 shows an intercept of 30.88. This value is positive but statistically insignificant with p-value of approximately 0.22 greater than 0.05. Hence this is an indication that poverty index will be constant at 30.88% when there is no change in the explanatory variables. The coefficient of microfinance banks investment (MFBI) is positive but not significant wherein p-value of 0.98 is greater than 0.05. The positive coefficient of MFBI revealed that for every one per cent (1%) increase in microfinance banks investment over the period of study holding other variables constant, poverty index increased by approximately 1.97%. In other words, a direct relationship exists between MFBI and index of poverty in Nigeria. The MFBI result is however discouraging. The implication is that microfinance banks have not adequately invested in Nigeria to have significantly reduced poverty and stimulate economic development. This of course agrees with data presentation and interpretation in table 4.1 and figure 4.1.

Controlling for other variables that impact on poverty rate in Nigeria, liquid liabilities (RLL_GDP) showed negative but insignificant p-value. A one percent (1%) increase in liquid liabilities over the period of study decreased poverty by 0.11%. Interest rate (IR) revealed positive but insignificant (0.18) result. A one percent (1%) increase in interest rate over the period of study increased poverty index by 1.56%. Similarly, a one percent (1%) increase in the ratio of government expenditure to GDP (RGE_GDP) over the period of study increased poverty index by 64.80%. Meanwhile, the outcome of the relationship between RGE_GDP and poverty is again questionable like in hypothesis one. One would expect a decrease in poverty when a sincere government spends more but the situation as revealed in this result is different. The possible implication is corruption as earlier observed; hence, the result is therefore very informative to policy.

The coefficient of determination (R^2) for equation 4.4 revealed that 18.99% variation in poverty index were explained by the regression model, while the remaining 81.01% variation in poverty index may be as a result of other variables not included in the regression model. Adjusting further, the coefficient of determination via the adjusted R^2 entered a negative zone and thus confirms why the p-values of all the explanatory variables were not significant.

Decision

The coefficient estimate is positively signed and the calculated t-value 0.013385. Though the calculated t-value (0.013385) is quite less than the table t-value of 1.7293 and the coefficient estimate positively signed, we accept the alternate hypothesis which stated that Microfinance banks' investment have a significant positive impact on poverty alleviation in Nigeria.

4.3.5. Hypothesis Five:

The null and the alternate forms of hypothesis five are hereunder stated as:

- H₀: Microfinance banks' activities do not have a significant positive impact on the Gross Domestic Product (GDP) in Nigeria.
- H₁: Microfinance banks' activities have a significant positive impact on the Gross Domestic Product (GDP) in Nigeria.

Decision Rule:

1. When the coefficient estimate is positively signed, and the calculated t-value greater than the critical t-value (from the table), reject the null hypothesis and accept the alternate hypothesis.
2. When the coefficient estimate is negatively signed, and the calculated t-value less than the critical t-value (from the table), accept the null hypothesis and reject the alternate hypothesis.

Interpreting the E-View Regression Results for Hypothesis Five

Table 4.9 represents the e-view output of the multiple linear regression test. The estimated coefficients of the explanatory variables in the equation are as presented in equation 4.5:

Table 4.9: Regression Results for Hypothesis Five

Dependent Variable: GDP				
Method: Least Squares				
Sample: 1993 2012				
Included observations: 20				
Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	3.31E+13	9.14E+12	3.628637	0.0027
RTD_TC	-9.36E+12	2.51E+12	-3.734357	0.0022
RLL_GDP	4.73E+13	1.23E+13	3.861034	0.0017
IR	-5.07E+11	4.04E+11	-1.256550	0.2295
RGE_GDP	-1.01E+14	2.94E+13	-3.424432	0.0041
R-squared	0.888939	Mean dependent var		1.13E+13
Adjusted R-squared	0.857208	S.D. dependent var		1.05E+13
S.E. of regression	3.96E+12	Akaike info criterion		61.07423
Sum squared resid	2.20E+26	Schwarz criterion		61.32277
Log likelihood	-575.2052	Hannan-Quinn criter.		61.11629
F-statistic	28.01434	Durbin-Watson stat		2.032151
Prob(F-statistic)	0.000002			

Source: Researcher's E-view Based Result 2014.

$$\text{GDP} = 3.31\text{E}+13 - 9.36\text{E}+12 \text{RTD_TC} + 4.73\text{E}+13 \text{RLL_GDP} - 5.07\text{E} \text{IR} - 1.01\text{E} \text{RGE_GDP} \dots\dots 4.5$$

Equation 4.5 shows a regression line intercept of 3.31trillion. The value is positive and statistically significant with p-value of 0.0027 less than 0.05. Hence this is an indication that GDP in Nigeria will be constant at approximately ₦3.31trillion per annum when there is no change in the explanatory variables. The coefficient of microfinance banks' activities proxied by the ratio of total deposit to total credit (RTD_TC) is negative and statistically significant with p-value of 0.0022 less than 0.05. The negative coefficient (-9.36E+12) of total deposit to total credit revealed that for every one per cent (1%) increase in RTD_TC over the period of study holding other variables constant, GDP per annum in Nigeria decreased by approximately ₦9.36billion. In other words, an inverse relationship exists between RTD_TC and GDP in Nigeria.

Controlling for other variables that impact GDP in Nigeria, liquid liabilities (RLL_GDP) showed positive and significant p-value. A one percent (1%) increase in liquid liabilities over the period of study increased GDP by ₦4.7trillion per annum. Interest rate (IR) revealed negative but insignificant (0.2295) result. A one percent (1%) increase in interest rate over

the period of study decreased GDP by approximately ₦5.07billion per annum. Similarly, a one percent (1%) increase in the ratio of government expenditure to GDP (RGE_GDP) over the period of study decreased GDP by ₦1.01t per annum.

Measuring the goodness of fit of the regression equation, the coefficient of determination (R^2) for equation 4.5 revealed that 88.89% variation in GDP were explained by the regression model, while the remaining 11.11% variation were due to other variables not included in the regression model. Adjusting further for the coefficient of determination, adjusted R^2 confirmed that up to 85.72% variation in the dependent variable was explained by the independent variable within the period of study. This result confirms why the p-values of all the explanatory variables except interest rate were significant.

Decision

Since the coefficient estimate is negatively signed (-9.36E+12) with the calculated t-value of -3.734367 which is less than the table t-value of 1.7293, we accept the null hypothesis which was that Microfinance banks' activities do not have positive and significant impact on the Gross Domestic Product (GDP) in Nigeria.

4.4 Implications of Results:

The result of test hypothesis one revealed that Microfinance banks' activities do not have a significant positive impact on poverty alleviation in Nigeria. This aligned with Onwumere et al. (2012), Coleman (2004) and Mosley (2001); Babajide (2011) and Omena (2012). The preponderance location of Microfinance banks in urban and semi-urban areas excludes the core poor who live in the rural areas from accessing the services of Microfinance banks in the country. Also, the operation of 'micro-commercial banks' rather than microfinance banks in the country, which insist on collaterals for credit, alienates the poor from patronizing the existing Microfinance banks. The competitive lending interest rate charged by the Microfinance banks scared the poor from borrowing from the bank. The high capital requirement for the establishment of Microfinance banks in the country, allows only the rich to buy into the product. With the background of commercial banking, the operators of Microfinance banks are anxious to post high operational profit to satisfy their directors and shareholders. To achieve this, they indulge into unethical banking practices which have led to the distress of some Microfinance banks in Nigeria.

The implications of all these are that the poor are marginalized in the services of Microfinance banks' activities and so no impact on them. Yunus (2011) holds the view that microfinance banking in Nigeria is flawed. Also, Komalafe (2011) believes that the framework for Microfinance banks in Nigeria is faulty from the start and so cannot achieve its objectives.

In hypothesis two, it was revealed that Microfinance banks activities have a significant positive impact on employment generation in Nigeria.

The implication is that by granting credit, Microfinance banks enable their clients expand their productivity. This expansion, will exact the existing manpower. Additional hands will naturally be engaged to cope with the new level of production.

The result of hypothesis three revealed that Microfinance banks activities do not have a significant impact on standard of living in Nigeria. This is in tandem with the result of hypothesis one which revealed that Microfinance banks' activities do not have a significant positive impact on poverty alleviation in Nigeria. Positive impact on poverty alleviation will lead to positive impact on standard of living.

The implication is that the absence of significant Microfinance banks that will impact positively on poverty rubbed off on the significant impact on standard of living. Existence of structured products aimed at women and youth will empower this array of people and enhance their standard of living which in turn will reduce poverty in Nigeria. The result of hypothesis four revealed that Microfinance banks' investment have a significant positive impact on poverty alleviation in Nigeria.

This implies that an increase in Microfinance banks activities will lead to an increase in their investments and in turn, positively impact on poverty alleviation in Nigeria. The revelation that Microfinance banks investments have a significant positive impact on poverty alleviation in Nigeria collaborate the result of hypothesis two which stated that Microfinance banks activities have a significant positive impact on employment generation in Nigeria. In hypothesis five, the result revealed that Microfinance banks' activities do not have a significant impact on Gross Domestic Product (GDP) in Nigeria. Earlier, hypothesis one had revealed that Microfinance banks activities do not have a significant positive impact on poverty alleviation in Nigeria while hypothesis three revealed that Microfinance banks

activities do not have a significant impact on standard of living in Nigeria. All these three hypotheses are in concert.

The implication is that Microfinance banks activities that will lead to poverty alleviation will lead to increase in standard of living and also to increase in Gross Domestic Product (GDP).

4.5 Implications of results of other variables

Controlling for the other variables that impact on poverty rate in Nigeria, liquid liabilities (RLL-GDP) showed negative and insignificant result. A one percent increase in RLL-GDP over the period of study decreased poverty index by 10.63%. Interest rate (IR) revealed positive but insignificant result. A one percent increase in interest rate over the period of study, increased poverty rate by 1.86%. Also a one percent increase in the ratio of government capital expenditure to GDP (RGE-GDP) over the period of study, increased poverty index by 81.99%. This casts doubt over the sincerity of spending the budgeted amount on the budgeted items. One would expect a decrease in poverty when government spends more on capital items but the result had shown the reverse. Money appropriated for some capital items appeared to have not been spent on them.

The decrease in poverty index as a result of an increase in M_2 (RLL-GDP) over the period tantamount to an increase in microfinance banks activities as more fund will be available. The increase in interest rate which showed an increase in poverty rate over the period was an indication of less microfinance banks activities as credit became less option due to increased cost.

Controlling for other variables that impact employment rate in Nigeria, liquid liabilities (RLL-GDP) showed negative and significant result. A one percent increase in RLL-GDP over the period of study, decreased employment rate by 87.84%. Interest rate (IR) showed positive but insignificant result. A one percent increase in interest rate over the period of study, increased employment by 28.7%. Similarly, a one percent increase in the ratio of government capital expenditure to GDP (RGE-GDP) over the period of study, increased employment rate by 112.72%.

The implication of the decrease in employment rate as a result of an increase in liquid liabilities (M_2) was that the increase did not extend to the microfinance banks activities and the banks' activities could not extend to employment creation.

References

- Central Bank of Nigeria, (2011). *Annual Report and Statistics*, Government Printer
- David, D. (2011), Outward-oriented developing economies really do grow more rapidly: Evidence from 95 LDCs, 1976-1985 ,*Economic Development and Cultural Change*, . 40 (3) . 523-44
- Eleje, E. O. & Ani, W. (2013). Banks' credit and economic performance in developing nations: Empirical evidence from the production sector of the Nigerian economy *Nigerian Journal of Management Sciences* . 3(1&2).
- Gujarati, N. & Dawn, C. (2009), *Basic econometrics*, McGraw-Hill International, Fifth Edition, New York
- National Bureau of Statistics (2005). *Poverty Profile For Nigeria*, Abuja,
- National Bureau of Statistics (2011), *Retrieved March 2014*, Abuja,
- Okafor, F.O. (2011), *50 Years of banking sector reforms in Nigeria (1960-2010): Past lessons and future imperatives* Enugu, Ezu Books Nig. Ltd
- Onwumere, J. U. J. & Eleje O. E. (2008/09), Commodity market volatilities and primary product trade flows in Nigeria: A cross commodity analysis, *Nigerian Journal of Banking and Finance*, 8
- Pandey, I. M. (2006), *Financial management, ninth edition* NewDelhi, Vikas Publisher

CHAPTER FIVE

5.0 SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS

5.1 Summary of Research Findings:

The validation of the research findings revealed by the five hypotheses studied in this work portrayed a mixed result.

In hypothesis one, the coefficient estimate of total deposit to total credit (RTD_TC) was negative. This negative coefficient revealed an inverse relationship between RTD_TC and index of poverty. This is encouraging and consistent with the existing principle. It implies that the more people deposit with Microfinance banks, the less the index of poverty in Nigeria as the banks will have more money to lend to prospective loan clients. However, because the coefficient estimate was negatively signed, the alternate hypothesis was rejected and the null which was that Microfinance banks' activities do not have a significant positive impact on poverty alleviation in Nigeria, was accepted.

In hypothesis two, the coefficient of total deposit to total credit (RTD_TC) was positive. The positive coefficient revealed that an increase in RTD_TC over the period of study increased employment; signifying a direct relationship existing between RTD_TC and employment in Nigeria. It revealed that the more people deposit in the Microfinance banks in Nigeria the more employment will be created as the banks will lend out the deposit to clients who in turn will expand their businesses and increase labour. The alternate hypothesis which stated that: Microfinance banks' activities have a significant positive impact on employment generation in Nigeria was accepted and the null hypothesis rejected.

In hypothesis three, the coefficient estimate of total deposit to total credit (RTD_TC) was negative. This showed that an increase in RTD_TC over the period of study corresponded with a decrease in per capita income. In other words, and similar to poverty index, an inverse relationship existed between RTD_TC and income per capita. For being negatively signed, the null hypothesis which stated that: Microfinance banks' activities do not have a significant positive impact on standard of living in Nigeria, was accepted and the alternate hypothesis rejected.

In hypothesis four, the coefficient estimate of Microfinance banks investment (MFBI) is positive. The positive coefficient revealed that an increase in Microfinance banks investment

over the period of study corresponded with an increase in poverty index. In other words, there existed a direct relationship between MFBI and poverty index in Nigeria over the period of study. This showed that Microfinance banks have not adequately invested in Nigeria to significantly reduce poverty by stimulating economic development. However, since the coefficient estimate is positively signed, we accept the alternate hypothesis which stated that: Microfinance banks' investments have a significant positive impact on poverty in Nigeria and reject the null hypothesis.

In hypothesis five, coefficient estimate of total deposit to total credit (RTD_TC) was negative. The negative coefficient revealed that an increase in RTD_TC over the period of study resulted to a decrease in the Gross Domestic Product (GDP) in Nigeria. This manifested existence of an inverse relationship between RTD_TC and GDP in Nigeria. The negative coefficient led to the acceptance of the null hypothesis which stated that: Microfinance banks activities do not have positive and a significant impact on the Gross Domestic Product (GDP) in Nigeria and reject the alternate.

Finally while hypotheses one and three collaborated with hypothesis five, hypotheses two and four did same in this study, thus showing mixed results.

5.2 Conclusion.

Poverty has been identified as a debilitating cankerworm among human society. Its effects are felt more in the developing countries. The World Bank Report (2014) listed Nigeria third in the league of five countries with the largest number of the poor.

Nigeria followed India and China and was followed by Bangladesh and the Democratic Republic of Congo. Unemployment and inaccessibility of credit are among the factors that exacerbate poverty.

Micro financing has been globally identified by development practitioners as an escape route from poverty. The Central Bank of Nigeria, in imbibing the microfinance catechism established the microfinance framework in 2005 by which the existing community banks transformed into microfinance banks and templates set for the regulation and supervision of the microfinance banks (CBN 2005). This study therefore set out to examine the effect of these microfinance banks on the economic development of Nigeria.

The specific objectives were:

- 1) To examine the impact of Microfinance banks' activities on poverty alleviation in Nigeria.
- 2) To investigate the impact of microfinance banks' activities on employment creation in Nigeria.
- 3) To establish the impact of microfinance banks' activities on the standard of living in Nigeria.
- 4) To evaluate the impact of microfinance banks' investments on poverty alleviation in Nigeria.
- 5) To establish the impact of microfinance banks' activities on Gross Domestic Product in Nigeria.

Annualised time series data for 20 years, covering the period 1993-2012 were collated from the CBN, NBS and NPC. The results were tested.

For objective one an inverse relationship between microfinance banks' activities and poverty index in Nigeria was revealed. It showed that an increase in microfinance banks' activities reduces poverty rate in Nigeria.

For objective two, a direct relationship existed between microfinance banks; activities and employment creation in Nigeria. This is heart warming, for it showed that an increase in microfinance banks' activities will lead to an increase in employment creation in Nigeria.

The result for objective three showed that an increase in microfinance banks' activities, decreased income per capita in Nigeria. This was not a healthy situation and only suggested that the microfinance banks' activities were not made available to the poor but to the non poor.

For objective four, there existed direct relationship between microfinance banks' investments and poverty index in Nigeria. This indicated that an increase in microfinance banks' investments led to an increase in poverty index.

As in objective three, this is not a complimentary result. Microfinance banks' investments ought to bring down poverty index.

Objective five, showed that an inverse relationship existed between microfinance banks' activities and Gross Domestic Product in Nigeria (GDP). It meant that an increase in microfinance banks' activities brings about a corresponding decrease in Gross Domestic Product in Nigeria (GDP).

Correspondingly, the five tested hypotheses had mixed results.

We have recommendations towards salvaging the situation which included microfinance banks' living up to its name by serving the poor and not the non-poor and establishment of true microfinance banks' and not micro commercial banks in Nigeria.

The above results showed that Nigeria has not started practising microfinance banking which has seen the poor escape from the clutches of poverty in various climes.

5.3 Contributions to Knowledge

Microfinance activities have been recognized by the World Bank and the United Nations as available route for the poor to escape from poverty. Most of the available works on this subject had concentrated on the global East. Among the few done in Nigeria are Okpara (2010) and Onwumere et al (2012). While Okpara (2010) covered the period 1992 – 2007, Onwumere et al. (2012) spanned 1999 – 2008. This study is for twenty years, covering 1993 – 2012, virtually enveloping the two scopes. The study, therefore, has added to the existing knowledge by covering a larger scope.

Specifically, the study exposed that Nigeria is not operating core microfinance banking which translated into microfinance banks' activities not impacting positively on poverty alleviation during the period of study. Specifically, therefore, the study contributed empirically by way of geography.

5.4 RECOMMENDATIONS

1. Core microfinance banks should be encouraged. Presently, the country has more of micro-deposit money banks masquerading as microfinance banks. The recent banks consolidation left a number of DMBs unable to meet up with the required capital. They down scaled to microfinance banks. Also, the capital requirement for the establishment of DMBs and merchant banks are beyond the reach of those who would have wanted to establish them but who then settled for microfinance banks. Core microfinance banks should be established and this call for the reduction in the capital requirement. Also, such microfinance banks should promote core microfinance evangelism which involves services to the poor, especially women and youth. Komolofe, (2011) beliefs that the framework for microfinance banking in Nigeria is faulty from the start and cannot achieve its objectives.
2. Microfinance banks should be established in the rural and semi-rural than in the urban areas. The Grameen (village) bank in Bangladesh is among the leading microfinance banks globally. It co-won the Nobel Peace Prize Award with the founder in 2006. In its charter is the provision that it will not establish any branch in the urban areas (Yunus, 2004).

3. Microfinance banks are for the poor. This is their principal tag globally especially where they are successful like the Grameen bank of Bangladesh. Microfinance banks should therefore grant credit without tangible collaterals. Social collaterals which they should get by granting group facilities should do. They will only scare away the poor by demand of collaterals. This is even the more reason, the conventional banks refused to relate with them.
4. Microfinance banks should be less aggressive in their pursuit for profit. The promoters of microfinance banks are more of capitalists than socialists. The Board and Management struggle to post high profit to satisfy their shareholders. Microfinance banks should however be encouraged to remain sustainable so as to remain going-concern. They should do so as by reducing their expenditure such as those on their intimidating office furnishing. By doing so, their reasonable margin will be enough to sustain them.
5. Interest. The lending interest rate of the microfinance banks should be poor people friendly. They should not compete with the DMBs or with the money lenders in their determination of interest rates.
6. Microfinance banks in Nigeria should be gender sensitive. Women, especially, the rural women should be encouraged to embrace microfinance banking as a route to escape from poverty. The youth should also be encouraged. The government, non-governmental organizations (NGOs), community based organizations (CBOs) and faith based organizations (FBOs) should set up microfinance banks.
7. Microfinance banks should be excised from the ambit of the Central Bank of Nigeria. A separate institution such as the Microfinance Board, should be established to regulate and supervise the microfinance banks in Nigeria. Central Bank of Nigeria (CBN) is overstretched with the regulation and supervision of deposit money banks (DMBs), merchant banks and development banks. Though the CBN has created a department, Other Financial Institutions Department (OFID), that superintends the microfinance banks, the staff are posted mainly from other departments of the CBN. They already are in tune with operations of money deposit banks, merchant banks and development banks. Consciously or unconsciously, they mirror the microfinance banks activities with that lens. A separate board will imbibe specific tailored microfinance banks training to the staff.
8. Staff of microfinance banks should be discouraged from competing with those of DMBs and merchant banks in their designer dresses and shoes. They only end up intimidating the real poor. Also, staff and management of such banks should purge themselves of the

‘elephant-meat-philosophy’. This is the erroneous belief that the money in a bank is inexhaustible just as the elephant meat cannot easily be consumed. With this philosophy, reckless granting of credit and spending are the norm.

9. Microfinance banks should come up with products structured to their environment. Those in agrigarian areas should design their credit and repayment schedule to conform with the seasonality of the farm products. Succinctly, the financial flows and the repayment cycles of the clients should be of paramount importance to the microfinance banks.
10. Microfinance banks are conceived to be for the poor. The poor should be encouraged to be shareholders in microfinance banks. Grameen bank of Bangladesh is a model. The poor borrowers have 93% and the government 7% of the equity in the bank (Yunus, 2004).

5.5 Suggestions for further study.

This research cannot claim to be exhaustive. Micro financing as a weapon against poverty is making wave in various jurisdictions especially the developing countries. Nigeria has keyed in. Further studies are encouraged. The studies can adopt other variables such as the impact of microfinance on youth and women. The studies could also look into the harmonization of the activities of the various non-governmental organizations (NGOs) and come up with plans to make their credit revolving and sustainable. Additional variables such as education and technical skill could be controlled for robustness. The need for suggestions for further study stem from the scope of the study. It will be noted that there is no final solution to any research problem. As solutions are provided for a given problem, further problems develop from them. Future research will expand the boundary of knowledge.

Bibliography

- Abiola, Idowu and Salami, A.O. (2011). Impact of microfinance bank and standard of living of hairdresser in Ogbomoso North Local Government Area of Oyo State, Nigeria, *International Business Management, Medwell Journals*, 27 – 32.
- Abu N.M. W. (1994). The Grameen bank and poverty alleviation in Bangladesh: Theory, evidence and limitations. *The American Journal of Economics and Sociology*, 53, 64-85.
- Abu W. (1999). The Grameen bank and women in Bangladesh: *Challenge*, 42(5), 94 – 101.
- Ackerly, B. (1995). Testing the tools of development: Credit programmes, loan involvement and women empowerment *IDS Bulletin*, 26(3), 56–68.
- ADB Report (2005). The road map for development of microfinance sector in Pakistan. *Agriculture Development Bank*,
- Aghion, A. & Morduch J. (2002). Microfinance beyond group lending, *The Economics of Transition*, 8(2), 401-420.
- Ahmed, R. (2002). Microfinance regulation in South Africa: Status and challenges. *Microfinance Best Practices Seminar Proceedings*.
- Ahmed, S. (2006). Address by Governor, Bangladesh bank, SAARCFINANCE Governor's symposium on microcredit, held in Dhaka, Bangladesh. *SAARCFINANCE Cell, Research Department, Bangladesh Bank, Dhaka, Bangladesh*.
- Akanji, O.O. (2001). Microfinance as a strategy for poverty reduction, *CBN Economic & Financial Review*, 39(4), 111-134.
- Akinboyo, O.L. (2007). Microfinance Banks: Unlocking the potentials of micro- business activities of the Nigerian rural economy, *Bullion*, 31(1), 39-51.

- Alam, S.M. (2005). Poverty and its alleviation. *Pakistan and Gulf Economist*, 24(13), 35-41.
- Albee, A. (1996). Beyond banking for the poor; Credit mechanism and women's empowerment. *Gender and Development*, 4(3), 48-53.
- Aluko, M.A.O. (2003). Strategies for poverty reduction in Nigeria, *Journal of Social Sciences*, 7(4), 255-266.
- Amin, A.S, Rai, A.S. & Ropa, G. (2003). Does microcredit reach the poor and vulnerable?
- Anin, R., Becker, S., & Bayes, A. (1998). Empowerment of women. *The Journal of Developing Areas*, 3(2), 105-119.
- Armendariz de Aghion, B. & Morduch, J. (2000). Microfinance beyond group lending. *The Economics of Transition*, 8(2), 401-420.
- Armendariz de Aghion, B. & Morduch, J. (2005). The Economics of Microfinance. Cambridge, *The MIT Press*.
- Asian Development Bank (2004), Microfinance financial services for the
- Asika, N. (2006) Research methodology in behavioural sciences, Lagos: Longman Nigerian Plc.
- Awoseyila, A.P. (1999). The dimension of poverty in Nigeria (spatial, sectoral, gender, occupational, etc.). Central Bank of Nigeria, *Bullion* 23(4) 31-39.
- Babajide, A.O. (2011). Effects of micro financing on micro and small enterprises (MSE'S) in South West Nigeria. A Ph.d Thesis.
- Bajwa, R. (2002). Microcredit methodologies and the role of rural support programs in delivery of microcredit in Pakistan. *Committee on Rural Finance (CRF)*.
- Balogun, E.D. (1999). Analyzing poverty: Concepts and methods. Central Bank of Nigeria, *Bullion* 23(4), 11-16.

- Banerjee, A, Duflo, E. Glennerster, R. & Kinnnan, C. (2009). The Miracle of Microfinance? Evidence from a randomised evaluation, *MIT Department of Economics Financial Access Initiative Research Brief: 05/04/2012* www.financialaccess.org.
- Bategeka, L. (1999). Uganda's achievements and challenges in the financial sector: Whose interests count? *Journal of Uganda Institute of Bankers*, 7(4), 6-10.
- Bateman, M. (2011). Microfinance as a development and poverty reduction policy: Is it everything it's cracked up to be? *The Overseas Development Institute*, www.odi.org.uk.
- Bateman, M. (2011). Muhammad Yunus and Faltering Reputation of Microfinance. *Milfordbateman@yahoo.com*.
- Baye (no date). Money, banking and financial markets, India, A1 TBS Publishers.
- Bayulgen, O. (2008). Muhammad Yunus, Grameen Bank and the Nobel Peace Prize: What political science can contribute to and Learn from the study of microcredit. *International Studies Review*, 10, 525-547.
- Beandry, S. (no date). Microfinance: A guide for grantmakers without borders, 1009 General Kennedy Avenue, No.2, San Francisco, CA 94129: 08/08/2012. www.gwob.net.
- Bebbington, A. & McCourt, W. (2005). Statecraft in the South: A framework for understanding public policy success in developing countries. Paper presented at the ESRC seminar on policy success in developing countries, Institute for Development Policy and Management, University of Manchester.
- Bello & Roslan (2010). Has poverty reduced in Nigeria 20 years after? *European Journal of Social Sciences* 15(1), 7 – 17.
- Bondreaux, K. & Cowen, T. (2008). The Micromagic of microcredit. *The Wilson Quarterly*, 32(2), 27-31.

BRAC (2005). BRAC at a glance, September 2005: 06/09/2012

<http://www.brac.net/ataglance.htm>

Buckley G. (1996), Microfinance, in Africa: Is it either the problem or the solution? *World Bank Development*, 25, 1081-1093.

Burger, M. (1989). Giving women credit: The strength and limitations of credit as a tool for alleviating poverty. *World Development*, 17(7) 1017-1032.

Burjorjee, D., Deshpande, R. & Weidmann, C. (2002). Supporting women's livelihood: Microfinance that works for the majority. *United Nations Capital Development Fund, Special Unit of Microfinance*.

Central Bank of Nigeria (2000). The Changing structure of the Nigerian economy and implications for development. *Research Department, CBN, Lagos*, Realm Communications Limited.

Central Bank of Nigeria (2005). Regulatory and supervisory framework for microfinance banks in Nigeria.

Central Bank of Nigeria (2011). Microfinance policy, regulatory and supervisory framework for Nigeria, *CBN Abuja*, Adgozo Limited April 29, 2011.

CGAP (no date). How do Financial Services Help the Poor? Retrieved November 11, 2012 from <http://www.cgap.org/p/site/c/template.rc/1.26..1305/>

Chatterjee, M. (2001). Microfinance: A Miracle Cure? *World Economic Forum*, Switzerland.

Chavan, P. & Ramakumar, R. (2002), Micro-credit and Rural Poverty An Analysis of Empirical Evidence, *Economic and Political Weekly*, 37(10), 955-965.

Chen, M.A and Snodgrass, D. (2001) Managing Resources, Activities and Risk in Urban India: The Impact of SEWA Bank, Washington, D.C. AIMS.

Chen, S. & M. Ravallion (2003). Hidden impact? Export evaluation of an anti-poverty program, *World Bank Policy Research Working Paper*, No.3049.

- Cheston, S. & Khun, L. (2000). Empowering women through microfinance institutions. *Sinapi Aba Trust*, Ghana.
- Chowdhury, H.J. (2001). Reintegration of internally displaced people: The need for microcredit; *In Hossain and Rahman (eds): Microfinance and Poverty*.
- Clark, J. (1999). The Role of non-profit organisations In development: The experience of the World Bank, Washington D.C., World Bank.
- Coleman, B. (2001). Measuring impact of microfinance programs. Finance for the poor, agriculture and social sectors department (West), Asian Development Bank, *Newsletter*, 2(4), 31-45.
- Coleman, B.E. (1999). The impact of group lending in Northeast Thailand, *Journal of Development Economics*, 60, 105-141.
- Coleman, B.E. (2004). Microfinance in Northeast Thailand: who benefits and how much? *World Development*, 60(1) 105-141.
- Conroy, J.D. (2003): The Challenges of Microfinancing In Southeast Asia, Singapore Institute of Southeast Asian Studies.
- Cons, J. & Paprocki, K. (2008). Listening to borrowers, A Case study from Bangladesh. Retrieved September 04, 2012 from <http://www.foodfirst.org./files/pdh/bgr%20microcredit%20winter%202008.pdf>.
- Conteh, B.K. (1995). Institutions in rural developments: The Case of rural banks in Sierra Leone, *Unpublished PhD Thesis, University of Leeds, UK*, 218.
- Conteh, B.K. & Braima, J.S. (no date). Microfinance and informal sector development for poverty alleviation. A study presented as a chapter contribution to the poverty reduction strategy paper for Sierra Leone.
- Copestake J. (1995). Poverty-oriented financial service programmes: Room for

- improvement? *Savings and development*, 19(4), 417-435.
- Csazar, F. (2004). Understanding the concept of power in Ruth Alsop (ed): Power, rights and poverty. Concepts and connections, Washington D.C. and London, World Bank and Department for International Development (UK), 46-137.
- Dadhich, C.L. (2001), Microfinance – A Panacea for Poverty Alleviation: A case of Oriental Grameen Project in India, *India Journal of Agricultural Economics*, Vol. 56(3), pp 419-426.
- Dahiru, Mohammed A. & Zubair, H. (2008): Microfinance in Nigeria and the prospects of introducing its Islamic version there in the light of selected Muslim countries experience.
- Daley-Harris, S. (2005). State of the Microcredit Summit Campaign Report.
- Dalley-Harris, S. (2002). Pathways out of poverty. innovations in microfinance for the poorest families, (Ed.) Kumarian Press, Inc. U.S.A.
- Dalley-Harris, S. (2003). The state of the microcredit summit campaign 2003. Washington D.C: Microcredit Summit.
- David Hulme & Karen Moore, (2006). Why has microfinance been a policy success in Bangladesh (and beyond)? *Global Poverty Research Group*. <http://www.gprg.org/>
- Department for International Development, DFID (2000). Halving world poverty by 2015: Economic, equity and security strategies for achieving the international development targets. London Tairway Communications.
- DFID (1998). Banking on the Poor, DFID and Microfinance. *DFID*.
- Diagne, A. (2000). Design and sustainability issues of rural credit and savings programmes: Findings from Malawi. Rural financial policies for food security of the poor. *International Food Policy Research Institute, Policy Brief (12)*.

- Diagne, A. & Zeller, M. (2001). Access to credit and its impact in Malawi, *Research Report No.116*, Washington D.C., USA: International Food Policy Research Institute (IFPRI).
- Dobra, A. (2011). Microfinance: Champion in poverty alleviation and failure in female empowerment. *Dobra Microfinance*, 134-137.
- Dugger, C.W. (2006), Peace Prize to Pioneer of Loans to Poor No Bank Would Touch *the New York Times*, October 14. Available at <http://www.nytimes.com/2006/10/14/world/asia/14nobel.html>.
- Dunn, E. & Arbuckle, J.D. (2001). Microcredit and microenterprise performance: Evidence from Peru, *small enterprise development*, 12(4) 23-31.
- Duong, P.H.B & Izumida, U (2002) Rural Development Finance in Vietnam: Microeconometric
- Ebdon, R. (1995). NGO expansion and the fight to research the poor: Gender implications of NGO scaling-up in Bangladesh, *IDS Bulletin*, 26.
- Egwuatu, B.S.C (2008). Reducing poverty through better credit delivery: The Asian Experience, *Bullion* 32(1), 8 – 16.
- Ehigiamusoe, G. (2008). The role of microfinance institutions in the economic development of Nigeria, *Bullion* 32(1), 17-25.
- Elahi, Khandakar Qudrat I. & Rahman, M. Lutfor (2006). Microcredit and microfinance: Functional and conceptional differences, development in practice, 16(5) 476-483.
- Englama, A. & Bamidele, A. (1997). Measurements issues in poverty. In poverty alleviation in Nigeria, selected papers for the 1997 annual conference of the Nigerian Economics Society, 1-156.
- Ezenwa ,A & Aladi, U. eds. (2004) *Spring In a desert*, Enugu, Snaap Press Ltd.

- Goetz, A.M. & Gupta, R. (1996). Who takes the credit? Gender, power and control over loan use in rural credit programmes in Bangladesh. *World Development*, 24(1), 45-63.
- Goetz, & SenGupta, R. (1994). Who takes the credit? Gender, power and control over loan use in rural credit programmes in Bangladesh. *World Development*, 24(1) 45-63.
- Gohar, B. (2000). Rethinking strategies for poverty alleviation in the South Asian context. ICSW International conference on social welfare, Cape Town, South
- Gonzalez, A. (2010). Is microfinance growing too fast? *Washington D.C.*, Microfinance Information Exchange.
- Grameen Bank (2003). Grameen Bank at a glance, March 2005: 07/07/2012.
<http://www.grameen-info.org/bank/GBGlance.htm>.
- Grameen Bank/Bank for the Poor (1997) www.grameen-info.org Greeley, M. (2003), Part I: Microfinance and Poverty, Poverty Reduction and Microfinance – Assessing Performance. *IDS Bulletin*, 34(4), 10-20.
- Gujarati, D.N. (2004). Basic Econometrics, New Delhi, Tata Mcgraw-Hill.
- Gujarati, D.N. & Porter, D.C. (2009), Basic Econometrics, New York, Macgraw- Hill/Irwin
- Gwerin, L. & Servet, M. (2005). Exclusion et liens financiers. *Rapport due Centre Walras*, Paris: Economica.
- Haque, S. M. & Yamao, M. (2009). Can microcredit alleviate rural poverty? A Case study of Bangladesh, *International Journal of Human and Social Sciences*, 4(13) 929.
- Harcourt Wendy (2009). The Search for social justice, development, 40(1) 5-11.
- Hashemi, Syed, Sidney & Rilay, (1999). Rural credit programmes and women's empowerment in Bangladesh. *World Development*, 24(4).

- Helms, B. (2006). Access for all: Building inclusive financial system. *Consultative Group to Assist the Poor (CGAP), Report*, Washington DC, World Bank.
- Hiatt, S.R. & Woodworth, W.P. (2006). Alleviating poverty through microfinance: Village banking outcomes in Central America. *The Social Science Journal*, 43, 471-477.
- Hossain, F. (2002). Small loan, big claims. *J. Foreign Policy*, 8, 24-26.
- Hulme David & Paul Mosley (1996). *Finance against poverty* 1, Routledge, London.
- Human Development Report (2007/2008), Fighting climatic change: Human solidarity in a divided world. UNDP, New York.
- Human Development Report, Nigeria (1996), United Nations Development Programme, Lagos, Nigeria.
- Hyuha, M; Ndanshan, K; & Kipokola, J. (1993), Scope, structure and policy implications of informal financial markets in Tranzania, *African Economic, AERC Research Paper*, 18.
- Ibenta, S.N.O (2012), Research monograph, Enugu, African Basic Economy Limited.
- Ibrahim, S. & Nayab, P. (1994). The Appropriateness of a community- based program: A case study of the AKRSP in two villages of Gilgit district. *The Pakistan Development review*, 33(4), 65-81.
- Idolor, E. J. & Imhanlatrimi, J. E. (2011). Assess and impact assessment of microfinance banks on rural poor in Nigeria: A Case Study of Edo State. *Indian Journal of Economics and Business*, 10, 2-3.
- Ikeagwu, E.K. (1998). Groundwork of research methods and procedures, Enugu: Institute for Development Studies, University of Nigeria, Enugu Campus.
- Imoisi, A.I & Opara, I.G. (2014). Microfinance and its impact on poverty alleviation: A case

- study of some microfinance banks in Edo State, Nigeria. *American Journal of Humanities and Social Sciences*. 2(1), 27-41.
- Irobi, Nnenna Christiana (2008). Microfinance and poverty alleviation, A case of Obazu Progressive Women Association, Mbieri, Imo State, Nigeria.
- Jamil, B. (2008). Microfinance as a tool for poverty alleviation in Nigeria. Paper presented at sensitization workshop on Microfinance Banks in Kano State.
- Jayasuriya, P.K. (no date), Impact of the microfinance on poverty alleviation in Sri Lanka, June 10, 2012, prasanshakumari@yahoo.com
- Jayawardena, A. (2001). Help the poor to help themselves, Finance for the poor, Agriculture and social sectors department (West), Asian Development Bank, *Newsletter*, 2(4) 15-24.
- Jegede, C.A., Kehinde, J. & Akinlabi, B. H. (2011). Impact of microfinance on poverty alleviation in Nigeria: An empirical investigation, *I Journal of Humanities and Social Sciences*, 2,(1), 97-111.
- John, S. & Kidder T. (1999). Globalisation and gender – dilemmas for microfinance organisations, *Small Enterprises Development*, 10(3) 4-15.
- Johnson, S. & Rogaly, B. (1999): Microfinance and poverty reduction Oxfan Publication.
- Jonathan Goodluck (2001), Keynote address at the CBN 3rd annual microfinance conference and microfinance/entrepreneurship awards at Ladi Kwali Hall, Sheraton Hotel and Towers, Abuja, *The Nigerian Microfinance Letter*, 8, January – June 2009, August 08, 2012. www.cembank.org/microcredit
- Kabeer, N. (1998). Money can't buy me love? Re-evaluating gender, credit and empowerment in rural Bangladesh, *IDS Discussion Paper*, 363, Brighton: IDS.
- Kabeer, N. (2001), Conflicts over credit: Re-evaluating the empowerment of potential loans

- to women in Rural Bangladesh, *World Development*, 49, 63-84.
- Kabeer, N. (2002), We don't do credit: Nijera Kori social mobilization and the collective capabilities of the poor in rural Bangladesh, Dhaka; *Nijera Kori*.
- Kaladhar, K. (1997). Microfinance in India: Design, structure and governance. *Economic and Political Weekly*, 32(42).
- Kankwenda, M.; Gregoire, L.; Legro, H. & Oraogo, H. (2000), *Poverty eradication, Where stands Africa?*, London: Economica Ltd.
- .Khan, Z.A. (2007), Ultra poor programme of PKSf: A milestone in micro credit lending, *The Financial Express*, Pali Karma Shahayak Foundation (PKSF), Dhaka, Bangladesh.
- Khander, S.R. & Pitt M. (2002). The impact of group – based credit on poor households, *An analysis of panel data from Bangladesh*, World Bank, Washington D.C.
- Khander, S.R. (2003). Microfinance and poverty: evidence using panel data from Bangladesh. *Policy Research Working Paper*. World Bank, Washington D.C.
- Khander, S.R. (2005). Microfinance and poverty: Evidence using panel data from Bangladesh. *The World Bank Economic Review*, 19(2) 263-286.
- Khander, S.R. & Farugee (2003), The Impact of farm credit in Pakistan, *Agricultural Economics*, 28(3), 197-213.
- Khawari, A. (2004). Microfinance: Does it hold its promises? A survey of recent literature, *HWWA Discussion*, Paper 276.
- Komolafe, B. (2011). Seven fundamentals flaws with microfinance banking in Nigeria.
www.vanguardngr.com/.../

- Kool, P. & Tucker, J. (2003). Microfinance sector development; An assessment, in Conteh and Braina (no date).
- Kuramanaliera, E. Montgomery, H. & Weiss, J. (2003), Microfinance and poverty reduction in Asia: What is the evidence? ADB Institute.
- Lakshmanan, S. (2001), Working of Self-Help-Groups with particular reference to Mallipalayam Self-Help-Group, *India Journal of Agriculture Economics*, 56(3), 457.
- Lalitha, N. (2008). Readings on Microfinance. *Dominican Publishers and Distributors*, Delhi.
- Lapenu, C. (2000). World wide distribution and performance of microfinance institutions. Rural financial policies for food security of the poor. International Food Policy Research Institute, Policy Brief (6).
- Lard, H. & Barres, I. (2007). Maximising microfinance, *Georgetown Journal of International Affairs*, 8, 55-62.
- Lashley, J.G. (2004). Microfinance and Poverty Alleviation in the Caribbean: A strategic overview. *J. Microfinance*, 6, 24-26.
- Latifee, H.I. (2003). Microfinance and poverty reduction, presented at the International Conference on Poverty Reduction through microcredit held at Leylan Inter-Continental Hotel, Taksim – Istanbul, Turkey.
- Leach, F. & Sitaran (2002). Microfinance and women's empowerment: a lesson from India, *Development in Practice*, 12(5), 575-588.
- Ledgerwood, J. (1999). Sustainable banking with the poor: *Microfinance Handbook – An Institutional and Financial Perspective*, London and New York. Pinter.
- Leon, R. (1998). Women and microcredit: A reality and a challenge. *Secretary for*

Programme Development, World YWCA.

Luong, Q.V.E. (2010) Sustainable microfinance: The balance between financial sustainability and social responsibility, *Jonkoping International Business School*, Jonkoping University.

Mac- Isaac, N. (1997), The role of microcredit in poverty reduction and promoting gender equity, *A Discussion Paper Report CIDA Quebec*. Macisaac@mos.com.np.

Madajewitez, M. (2003). Does the credit contract matter? The Impact of lending programmes on poverty in Bangladesh. *Columbia, University Press*, N.Y.

Madheswaran, S. & Dharmadhikary, (2001). Empowering rural women Through Self-Help Groups: Lessons from Maharashtra Rural Credit Project, *Indian Journal of Agricultural Economics*, 56(3), 427-443.

Mahajan, V. (2005). From microcredit to livelihood finance, *Economic and Political Weekly*, 40(41) 4416-4419.

Marsh, D. & N. Saran (1999). Access to credit for the poor: The borrower's perspective. A focus on money lending in South Africa. *Black Sash Trust*.

Matin, I. & Hulme, D. (2003). Programmes for the poorest: Learning from the IGVGD in Bangladesh, *World Development*, 31(3), 647-665.

Matovu, Dan (2006). Microfinance and poverty alleviation, School of Global Studies.

Mayoux, L. (1995). From vicious to virtuous circles? Gender and micro- enterprise development, Geneva, United Nations Research Institute for Social Development.

Mayoux, L. (1998). Women's empowerment and microfinance programmes: Approaches, evidence and ways forward. *The Open University Working Paper*, 4.

Mayoux, L. (1999). Questioning virtuous spirals: Microfinance and women's empowerment in Africa. *Journal of International Development*, November-December, 957-984.

- Mayoux, L. (2000). Sustainable microfinance for women's empowerment: A Participatory learning action approach, *UNIFEM*.
- Mayoux, L. (2009). Microfinance and the empowerment of women – A Review of the key issues. *SHDF, Zambuko Trust, SEF, OGT and SCF*, UK, Vietnam Programme, ILO.
- Meagher, P. & Wilkinson, H. (2001). Filling the gap in South Africa's small and micro market: An analysis of major policy, legal and regulatory issues, IRIS Centre, University of Maryland.
- MFPED (2001). Uganda poverty status report 2001, Kampala. Microcredit Summit Campaign (2004), List of Verified Institutions. June 08, 2012, <http://www.microcreditsummit.org/pubs/reports/socr/2004/enappl.pdf>. Micro credit Summit Washington (1997), www.unesco.org/most/povmicr2/htm
- MkNelly, B. & Dunford, C. (1998). Impact of credit with education on mothers and their young children's nutrition: Lower pra rural bank credit with education in Ghana. *Freedom from Hunger Research Paper*, 4.
- Mohammed, A.D. & Hasan, Z. (2008). Microfinance in Nigeria and the prospects of introducing its Islamic version there in the light of selected Muslim countries experience, *Faculty of Economics and Management Sciences, International Islamic University*, Malaysia.
- Mohiuddin, Y. (1993), Credit worthiness of poor women: A comparison of some minimalist credit programs in Asia: A Preliminary analysis. *The Pakistan Development Review*, 32(4), 86-105.
- Momoh, S. Osae- Brown & Anara, B. (2011), Yunus Nobel Laureate, Faults Nigeria's Microfinance banking. [www. Businessdayonline.com/.../26923-yunusnobel-laureate](http://www.Businessdayonline.com/.../26923-yunusnobel-laureate).
- Montgomery, H. & Weiss, J. (2005), Great expectations: Microfinance and poverty

- Montgomery, R; Bhattacharya, D; & Hulme, D. (1996). Credit for the poor in Bangladesh, in D. Hulme and P. Mosley (eds), *Finance Against Poverty*. London: Rontledge.
- Morduch, J. & Barbara (2002), Analysis of the Effects of Microfinance of Poverty Reduction. *NYU Wagner Working* , 014.
- Morduch, J., Hashemi, S. & Littlefield, E. (2003), Is Microfinance an effective strategy to reach the Millennium Development Goals? *CGAP Focus Note*, 24, Washington, D.C.
- Morduck, J. (1999). The Microfinance promise. *Journal of Economic Literature*, XXVII: 569- 614.
- Morris, G.A. & Meyer, R.L. (1993): Women and financial services in developing countries: A Review of the Literature, Economics and Sociology Occasional Paper, No. 2056, Oxford, OH: The Ohio State University.
- Mosley, P. (2001). Microfinance and poverty in Bolivia, *Journal of Development Studies*, 37(4), 101-132.
- Muhammed Yunus (2004). Grameen Bank, microcredit and Millennium Development Goals. *Economic and Political Weekly*, 4077-2080.
- Mumtaz, S. (2000). Targeting women in microfinance schemes: Objectives and outcomes. *The Pakistan Development Review* 39(4), 44-58.
- Murray, I & Lynch, E. (2003). What do Microfinance customers value? *Women's World Banking*.
- Muwanga, S.L. (2000). Is liberalization of the banking sector in Uganda a reform effort that has gone a stray? *The Journal of the Uganda Institute of Bankers*, 8(1) 8-14.
- Nabard, (1984). Study of implementation of IRDP, Mimeo, Mumbai.
- Namboodiri, N.V. & Shiyani (2001). Potential role of Self-Help-Groups in rural financing

- deepening, *Indian Journal of Agricultural Economics*, Vol. 56(3), 401-409.
- Nanavaty, R. (2000). Does empowerment matter for Economic Development? Poverty Reduction and Economic Management (PREM), Laurence, World Bank.
- Navajas, S. (2000). Microcredit and the poorest of the poor: Theory and evidence from Bolivia, *World Development*, 28(2), 333-346.
- Nissanke, M. (1994). Financial linkage development in Sub-Saharan Africa, in A. Atsain, S. Wangwe and A.G. Drabek (eds), *Economic policy experience in Africa*, Nairobi: *AERC Publication*, 105-125.
- Nwosuh, K.O. (2012). Cardinal Dominic Ekandem and the growth of the Catholic Church in Nigeria. Peru Remo, Ambassador Publications.
- Okafor, F.O. (2000). Journal of the management sciences published by Faculty of Management Sciences, Unizik, 25.
- Okafor, I.G. (2001): Evaluation final report on GWEDE commissioned by Mesereor Germany. Unpublished Report.
- Okpara, G.C. (2010). Microfinance banks and poverty alleviation in Nigeria. *Journal of Sustainable Development in Africa* 12(6), 177-191.
- Okumadewa, F. (1999). International agencies response to poverty situation in Nigeria. *Central Bank of Nigeria Bullion* 23(4), 66-70.
- Okurut, F, Banga, M. & Mukungu, A. (2004), Microfinance and poverty reduction In Uganda: Achievements and challenges, *Economic Policy Research Centre (EPRC)*, Research Series, 41, Email: eprc@eprc.or.ug.
- Oladumi, E.B.I. (1999). The dimension of poverty in Nigeria spatial, sectoral, gender, et. al., *Central Bank of Nigeria Bullion* 23(4), 17-30.

- Omena, D. (2012), Effects of microfinance services on the financial empowerment of youth in Migori Country, Kenya, *Business Management Review*. 2 (3), 22-35.
- Onwumere, J.U.J, Ibe, I.G. & Ugbam, O.C. (2012), The Impact of Microcredit on poverty alleviation and human capital development: Evidence from Nigeria, *European Journal of Social Sciences*, 28(3), 416-423.
- Onwumere, J.U.J. (2009), Business & economics research method, Enugu, Vongasen Ltd.
- Otero, Maria (1999). Bringing back development In microfinance, *Journal of Microfinance*, 1(1).
- Park, A & Ren, C (2001). Microfinance with Chinese characteristics, *World Development*, 29(1), 39-62.
- Pattern, R.H. & Rosegard, J.K. (1992). Progress with profit: The development of rural banking in Indonesia, Sanfrancisco, *ICS Press*.
- Pharn, T.T.T & Lensink R. (2008). Is microfinance an important instrument for poverty alleviation? *The Netherlands*, University of Groningen.
- Pitt and Khandker, S. (1995). Households and Intra-household Impacts of the Grameen Bank and similar targeted credit programmes in Bangladesh.
Paper presented at the Workshop on credit programmes for the poor: Household and intra-household impacts and social programme sustainability by the Education and Social Policy Department, Washington, DC and Bangladesh Institute of Development Studies, Dhaka.
- Pitt, M.M. & S.R. Khandker (1998). The impacts of group-based credit programmes on poor households in Bangladesh: Does the gender of participants matter? *Journal of Political Economy*, 106(5), 958-960.
- Puhazhendhi, V. & Satyasai, K. (2000). Microfinance for rural people: An impact evaluation,

study report, National Bank for Agriculture and Rural Development (NABARD), Mumbai.

Quang Vinh Evans Luong (2010). Sustainable Microfinance: The balance between financial sustainability and social responsibility.

Rahman, A. (1999), Microcredit Initiatives for Equitable and Sustainable Development: Who pays? *World Development*, 27(1), pp 67-82.

Rahman, A. (2011), Microfinance and poverty alleviation: What's right and what's wrong, Paper presented by Dr. Atiur Rahman, Governor Bangladesh Bank at Round Table organized by Centre for Policy Dialogue, Dhaka.

Rahman, R.I. (1986). Impact of Grameen Bank on the situation of the poor rural women, *BIDS Working Paper*, No.1, Grameen Evaluation Project, Dhaka: Bangladesh Institute of Development Studies.

Rahnema, M. (1992). Participation in W. Sachs (ed). *The Development Dictionary – A Guide to knowledge of Power*, London: *Zed Books*. Reduction in Asia and Latin America, ADB Institute Research Paper Series 63.

Remenyi, J. & Quinones, B. Eds. (2000). Microfinance and poverty alleviation: Case studies from Asia and the Pacific, New York. *Printer Publishers Ltd*.

Robinson, M. (2002). *The Microfinance revolution: Sustainable finance for the poor*, Washington D.C. World Bank.

Robinson, M.S. (2001). *The Microfinance Revolution*, The World Bank and Open Society Institute.

Rogaly, Ban (1996). Micro-finance evangelism, 'destitute women', and the hard selling of a new anti-poverty formula, *Development in Practice*, 6(2), 100-112.

- Rosenberg, R. (1998). Internal review of UNCDF microfinance activities, CGAP.
- Rozas, D. & Sinha, S. (2010). Avoiding a microfinance bubble in India: Is self- regulation the answer? *Microfinance Focus*, 10 January.
- Rubana, M. (2008), Microfinancing in Bangladesh: Impact on households, consumption and welfare. *Journal of policy modeling*, 30, 1083-1092.
- Ruben, M. (2007). The promise of microfinance for poverty relief in the developing world, *Discovery Guides*, <http://www.msnbc.msn.com/id/15246216/MSNBC>.
- Rutherford, S. (1995). ASA, The Biography of an NGO, empowerment and credit in rural Bangladesh, Dhaka: Association for Social Advancement.
- Rutherford, S. (2003). Money talks: Conversations with poor households in Bangladesh about managing money, *Journal of Microfinance*, 5(2) Winter, 2003.
- Sachs, J. (2005). The end of poverty: economic possibilities for our time, New York: Penguin.
- Safe Save (n.d.), Safe Save, <http://www.safewave.org/>
- Schuler, S.R. & Hashemi, S.M. (1994). Credit programmes, women empowerment, and contraceptive use in rural Bangladesh, *Studies in Family Planning*.
- Scully, N. (2004). Microcredit no panacea for poor women, Washington D.C: Global Development Research Centre, <http://www.gdrc.org/icm/wind/mico.html>.
- Sharma, M. (2000). Impact of microfinance on poverty alleviation: What does the emerging evidence indicate? Rural financial policies for food security of the poor. International Food Policy Research Institute, Policy Brief (2).
- Shastri, R.S. (2009). Microfinance and poverty reduction in India, (A comparative study with Asian Countries) *African Journal of Business Management*, 3(4), 136-140.

- Sheraton Marcia, (2004). An analysis of the effectiveness of microfinance: A Case Study in the Western Cape.
- Simanowitz, A. & Walter, A. (2002), Emerging impact: Reaching the poorest while building financially self-sufficient institutions and showing improvement in the lives of the poorest women and their families, in Daley-Harris (ed), *Pathways out of poverty*, Connecticut, U.S.A, Kumanan Press.
- Soyibo, A. (1994). Financial linkage and development in Sub-Saharan Africa: A study of the informal finance sector in Nigeria, Overseas Development Institute Stiglitz, J.E. (1990), Peer Monitoring and Credit Markets, *World Bank Economic Review*, 3, 351-366.
- Statistics South Africa (1996). South African census, statistics South Africa, Pretoria.
- Stiglitz, J. (1999). Participation and development: Prospectives from comprehensive development paradigm. Paper presented at the International Conference on Democracy, Market Economy and Development, Seoul.
- Stiglitz, J.E. (1990). Peer monitoring and credit markets, *World Bank Economic Review*, 3, 351-366.
- Sully, N.D. (2004). Microcredit no panacea for poor women, Cited by the Development Gap Organisation ><http://www.developmentgap.org/micro.html>>
- The Grameen Foundation – [http://www.grameenfoundation.org/what we do/microfinance in action/](http://www.grameenfoundation.org/what%20we%20do/microfinance%20in%20action/).
- Tilekar, S., Naikade, N., Deshmukh, B., & Patil, A. (2001). Women self-help-groups Affiliated to ‘Chaitanya’: A Study in Pune District, *Indian Journal of Agricultural Economics*, 56(3), 458.
- Todd, H. (1996). Women at the centre: Grameen Bank borrowers after one decade. *Boulder, Westview Press*.

- Uche, C.U. (1997). Ethics in Nigerian Banking Journal of Money Laundering Control 8 (1), 66-74.
- Uche, C.U. & Ehikwe, A.E.(2001). Marketing of banking services in Nigeria, *Journal of Finance Service Marketing*, 6 (2), 133-146.
- United Nations Capital Development Fund (UNCDF, 2004).
www.uncdf.org/english/microfinance/yom.php
- United Nations Capital Development Fund (UNCDF, 2005).
www.uncdf.org/english/microfinance/pubs/newsletter/pages/2005.04/news.launch.php Virtual Library on Microcredit. www.gdrc.org/icm/
- United Nations Economic and Social Commission (2000); Urban Poverty Alleviation, A paper presented at the Regional High Level Meeting in preparation for Istanbul 5 for Asia and the Pacific, 19-23 October, held in Hangzhou, China
- Vatta, Kamal, (2003). Microfinance and poverty alleviation, *Economic and Political Weekly*, 38(5), 432-433, accessed 04/02/2011.
- Vietnam Poverty Update Report (2007). Poverty and poverty reduction in Vietnam, 1993-2004, *Vietnamese Academy of Social Sciences*, National Political Publisher, Hanoi.
- Waddimba, J. (1979). Some participative aspects of programmes to involve the poor in development, Geneva: UNRISD.
- Wamasembe, W. (2001). Microfinance in Uganda: The State of the Practice, *The Microfinance Bank*, 1(3), 14-15.
- Weiss, J. & Montgomery, H. (2005). Great expectations: Microfinance and poverty reduction in Asia and Latin America, *Oxford Development Studies*, 33(3&4), 391-416.
- Wijewardena, W.A. (2007). Microfinance – a potent instrument of poverty alleviation.

Valedictory address as Deputy Governor, Central Bank of Sri Lanka at the training program on ... Bank of India. www.bis.org/review/r070515g.ppt.

Wolfe, Marshall (1981). *Elusive Development*, Geneva: UNRISD.

Wolfensohn, J.D. (1995). Women and the transformation of the 21st century address by the World Bank President to the 4th UN Conference on Women, Beijing, 15 September 2012. <http://www.worldbank.org/gender/how/womenand.htm>.

Wolfensohn, J.D. (1999). *A Proposal for a Comprehensive Development Framework*, Washington D.C.: World Bank.

Woller, Gray (2002). Introduction to the second microfinance revolution: creating customer centred microfinance institutions. *Journal of International Development*, 16(2), 1-5.

Women's World Banking (1994). United Nations expert group on women and finance. 13.

World Bank (1989). *World development report*, Washington D.C. World Bank.

World Bank (1990). *World development report poverty*. Oxford University.

World Bank (1993). *Poverty reduction handbook. The World Bank*, Washington D.C.

World Bank (1996). *NGO and the Bank: Incorporating FY 1995 progress report on cooperation between the Bank and NGOs*, NGO Unit, Washington D.C. World Bank.

World Bank (2007). *Impact evaluation for microfinance: Review of methodological issues, doing impact evaluation*, 7.

World Bank Development Report (2000/2001). *The nature and evolution of poverty*, The World Bank. *World Bank Findings, Africa Region*. 68, August 1996.

World Bank Report (2013), *Poverty has increased considerably in Nigeria*. Nigerianpoliticsonline.com/poverty.

- World Bank Report (2014). [www. Vanguardngr.com/2014/04/440695](http://www.Vanguardngr.com/2014/04/440695)
- World Development Report (2000/2001). Attacking Poverty: Opportunity employment and security. World Bank.
- Wrenn E. (2005). Microfinance literature review. [www.dochas.ie/share/files/2 microfinance-literature-review.pdf](http://www.dochas.ie/share/files/2%20microfinance-literature-review.pdf)
- Yahaya, K.A. Osemene, O.F. & Abdulraheem A. (2011). Effectiveness of microfinance banks in alleviating poverty in Kwara State Nigeria, *Global Journal of Management and Business Research*, II(4), VISA Global Journals Inc.
- Yunus, M. (2003). Banker to the poor: Microlending and the battle against world poverty. *Public Affairs, New York*.
- Yunus, M. (2004a). Expanding microcredit outreach to reach the Millennium Development Goals – Some issues for attention, Paper presented at an International Seminar, attacking poverty with microcredit, Dhaka.
- Zeller, M. & Meyer, R. (2002). The triangle of microfinance, financial sustainability, outreach and impact. The International Food Policy and Research Institute, Washington, USA.
- Zeller, M. & Sharma (1998). Rural finance and poverty alleviation, Washington, D.C. USA: International Food Policy Research Institute (IFPRI).
- Zeller, M. & Sharma, M. (2000), Many borrow, more save and all insure: Implications for food and microfinance policy, *Food Policy* 25, 143-167.
- Zeller, M., Schreider G., Von, B.J., & Heidhus, F. (1997). Rural finance for food security for the poor. (Food Policy Review 4). Washington D.C. International Food Policy Research Institute.

Ziauddin, M. (1999). Pakistan: Now the poverty bomb goes off. Third World Network
Features, Dawn. Retrieved July 02, 2012 from www.dawn.com.

APPENDIX A

REGULATORY AND SUPERVISORY FRAMEWORK FOR MICROFINANCE BANKS [MFBs] IN NIGERIA.

1. INTRODUCTION

The growing awareness of the potential of microfinance in poverty reduction, economic growth and development coupled with the emergence of several highly successful and fast growing Micro Finance Institutions [MFIs], has effectively put the issue of microfinance on the political agenda of most developing countries. Consequently, the supervisory authorities have taken active measures to address the issue of microfinance through the development of an appropriate regulatory and supervisory framework based on the particular features and risks associated with this activity. The challenge supervisors' face, which is sometimes complicated by a multitude of legal initiatives in this area, is how to accommodate or reasonably encourage microfinance within a framework of generally accepted norms and prudential standards for the financial services industry. In general, a framework that does not adequately address the features and risks of microfinance would not effectively serve these institutions or the people who depend upon them. Therefore, bank supervisors should ensure that the supervisory framework in place is such that would result in innovative, rapid and balance growth of the industry as well as consistent with accepted banking practices. The issue of savings/deposits is central to the regulation and supervision of microfinance. Supervisory authorities are supposed to ensure that the poor clients do not lose their savings in failing institutions. A new challenge for developing an appropriate regulatory and supervisory framework for microfinance lies in the great diversity of institutions that offer microfinance services. A comprehensive framework significantly based on micro lending as an activity should, therefore, be developed and made applicable to all supervised institutions that offer this service, regardless of whether they are licensed as a bank or new institutional form created specifically for microfinance. The regulation should be defined to include standards for portfolio classification, loan documentation, loan loss provisioning and write-offs for microfinance operations.

It is instructive to note that the characteristics of microfinance clients are distinct, the credit methodology different and, in many cases the ownership structure of the institutions is not the same as that typically found in conventional financial institutions. These and other factors give rise to a unique risk profile that needs to be addressed through the regulatory framework and supervisory practices. In this regard, a risk based supervision shall be implemented which

would focus mainly on (a) governance and ownership structure (b) lending methodology (c) borrower characteristics (d) appropriate management information system (e) internal control mechanisms and procedures. A simple and rational regulatory and supervisory framework which would achieve a balanced growth, promote transparency, control risks faced by the institutions engaged in microfinance, eliminate barriers and unnecessary requirements has therefore, been developed and would be implemented for the sector.

2. POWER TO REGULATE

These supervisory and regulatory guidelines are issued by the Central Bank of Nigeria [hereinafter referred to as CBN or the Bank] in exercise of the powers conferred on it by the provisions of Section 28 subsection (1) (b) of the CBN Act 24 of 1991 [as amended] and in pursuance of the provisions of Sections 56-60A of the Banks and Other Financial Institutions Act [BOFIA] 25 of 1991 [as amended]. The guidelines are to regulate microfinance activities and the establishment and operations of Micro-Finance Banks [MFBs] that seek to take savings/deposits from members of the public and engage in microfinance intermediation services for their clients in Nigeria. For the purpose of clarity, the following terms and definitions shall be used in the applicable sections of these guidelines.⁶ f. Micro Finance Bank A Micro Finance Bank [MFB], unless otherwise stated, shall be construed to mean any company licensed to carry on the business of providing micro-finance services such as savings, loans, domestic fund transfers and other financial services that economically active poor, micro-enterprises and small and medium enterprises need to conduct or expand their businesses as defined by these guidelines.

g. Micro Finance Client

A client of MFB that generally possess the following characteristics shall qualify as micro finance client:

- i. Have a monthly income of not more than twice the monthly per capital income of Nigeria or minimum wage, whichever is higher.
 - ii. Have a total productive assets [inclusive of those arising from loans but excluding the cost of land] of not more than five hundred thousand Naira [N500, 000.00] only
 - iii. Is not a regular employee of any organization
 - iv. Age between 18 and 60 years.
- h. Poor Person

A poor person shall be defined as one who has meagre means of sustenance or livelihood and whose total income during a year is less than the minimum taxable limit set out in the law relating to income tax.

i. Micro- Enterprise

A micro-enterprise is a business that requires micro credit/loans to operate. The operations and management are often built around the sole owner or micro entrepreneur. The micro entrepreneur usually works alone or provides employment for few people mainly the immediate family members and others over time. It does not often require formal registration to start, but tend to operate as sole proprietorship. The management and accounting requirements are very simple and flexible. Generally, micro entrepreneurs work informally, without business licences or formal records of their activities or earnings. The scope of economic activities of micro-enterprises typically includes primary production and crafts, value added processing and distributive trades.

7 Microfinance Loan

A microfinance loan is a facility granted to an individual or a group of borrowers whose principal source of income is derived from business activities involving the production or sale of goods and services. The maximum principal amount shall not exceed N500, 000 or and as may be reviewed from time to time by the CBN. Generally, a microfinance loan is granted to the operators of micro-enterprises, such as peasant farmers, artisans, fishermen, women, senior citizens and non-salaried workers in the formal and informal sectors. The said loans are usually unsecured, but typically granted on the basis of the applicant's character and the combined cash flow of the business and household. Ordinarily, the tenure of microfinance loans is 180 days [6 months]. However, in the case of crops with longer gestation period, a maximum tenure of twelve [12] months shall be permitted. Microfinance loans may require joint and several guarantees of one or more persons. The repayment may be on a daily, weekly, bi-monthly or monthly basis in accordance with amortization schedule in the loan contract.

3. Permissible Activities

A MFB shall be allowed to engage in the provision of the following services to its clients:

a) Acceptance of various types of deposits including savings, time, target and demand from individuals, groups and associations; except public sector deposits [government],

- b) provision of credit to its customers, including formal and informal self-help groups, individuals and associations;
- c) promotion and monitoring of loan usage among its customers by providing ancillary capacity building in areas such as record keeping and small business management;
- d) issuance of redeemable debentures to interested parties to raise funds from members of the public with approval of the CBN;
- e) collection of money or proceeds of banking instruments on behalf of its customers through correspondent banks;
- 8,(f) provision of payment services such as salary, gratuity, pension for the various tiers of government;
- g) provision of loan disbursement services for the delivery of credit programme of government, agencies, groups and individual for poverty alleviation on non-recourse basis;
- h) provision of ancillary banking services to their customers such as domestic remittance of funds and safe custody;
- i) maintenance and operation of various types of account with other banks in Nigeria;
- j) investment of surplus funds of the MFB in suitable instruments including placing such funds with correspondent banks and in Treasury Bills;
- k) pay and receive interests as may be agreed upon between them and their clients in accordance with existing guidelines;
- l) operation of micro leasing facilities, micro finance related hirepurchase and arrangement of consortium lending and supervise credit schemes to ensure access of micro finance customers to inputs for their economic activities; (m)receiving of refinancing or other funds from CBN and other sources, private or public, on terms mutually acceptable to both the provider of the funds and the recipient MFBs;
- n) Provision of micro finance related guarantees for their customers to enable them have greater access to credit and other resources;
- o) buying, selling and supplying industrial and agricultural inputs, livestock , machinery and industrial raw materials to poor persons on credit and to act as agent for any association for the sale of such goods or livestock;
- p) Investment in shares or equity of any body corporate, the objective of which is to provide microfinance services to poor persons;
- 9 (q) encouragement of investment in cottage industries and income generating projects for poor persons as may be prescribed by the CBN

- r) provision of services and facilities to customers to hedge various risks relating to microfinance activities;
- s) Provision of professional advice to poor persons regarding investments in small businesses; rendering managerial, marketing, technical and administrative advice to customers and assisting them in obtaining services in such fields;
- t) Mobilize and provide financial and technical assistance and training to micro- enterprises
- u) Provision of loans to microfinance clients for home improvement and consumer credits; and
- v) Performance of non-banking functions that relate to micro finance related business development services such as co-operatives and group formation activities, rural industrialization and other support services needed by micro enterprises. No MFB shall undertake any business other than those permitted as stated above or activities as may be prescribed by the Central Bank of Nigeria from time to time.

4. PROHIBITED ACTIVITIES

No MFB shall engage in the provision of the following financial services:

- a. acceptance of public sector [government] deposit except for the permissible activities [f] and [g],
- b. foreign exchange transactions,
- c. international commercial papers,
- d. international corporate finance,
- e. international electronic funds transfer,
- f. cheque clearing activities,
- g. dealing in Land for speculative purposes,
- h. real estate except for its use as office accommodation,
- 10
- i. allow any facility for speculative purposes; and
- j. enter into leasing, renting, and sale/purchase of any kind with its directors, officers, employees or persons who either individually or in concert with their family members and beneficiaries own five percent [5%] or more of the equity of the MFB, without the prior approval in writing of the Central Bank of Nigeria.

5. Ownership

Microfinance banks can be established by individuals, group of individuals, community development associations, private corporate entities and foreign investors. Significant ownership diversification shall be encouraged to enhance good corporate governance of licensed MFBs. Universal banks that intend to set up any category of the MFBs as subsidiaries shall be required to meet the prescribed prudential requirements and availability of free funds and if in the view of the regulatory authorities, have satisfied all the requirements stipulated in the guidelines.

6. LICENSING REQUIREMENTS

Any promoter(s) seeking a licence for a Micro Finance Bank (MFB) business in Nigeria shall apply in writing to the Governor of the Central Bank of Nigeria. There shall be two [2] categories of licences available for promoters [both local and foreign] of Micro Finance Banks based on geographical coverage as specified below.

- i. Micro Finance Bank licensed to operate as a unit bank [a.k.a]
- ii. Community banks] shall operate and open branches within a specified local

government area [LGA]. The minimum capital requirement shall be N20 million [twenty million naira] or such amount as may be prescribed by the CBN from time to time.

iii) Micro Finance Bank licensed to operate in a State and open branches within a specified state or Federal capital territory. The minimum capital requirement of N1.0 billion (one billion naira) only or such an amount as may be prescribed by the CBN from time to time.

iii) Such application shall be accompanied with the following:

11

a. non-refundable application fee of N 50,000.00 and N100, 000.00

for Local and State microfinance banks, respectively in bank drafts, payable to the Central Bank of Nigeria;

b. deposit of the minimum capital requirement for the relevant category of MFB, which shall be in bank draft payable to the CBN. The capital thus deposited together with the accrued interest shall be released to the promoters on the grant of a licence;

c. satisfactory, verifiable and acceptable evidence of payment by the proposed shareholders of the minimum capital requirement for the category of licence being applied for; including

personal statement that capital does not originate from bank credit, any form of credit or questionable sources and any activity that relates to money laundering;

d certificate of capital importation issued by an authorized dealer [banks] in the case of foreign capital;

e. a copy of detailed feasibility report disclosing relevant information that shall include:

(i) the objectives and aims of the proposed MFB;

(ii) the justification for the establishment of the MFB;

(iii) the services that the MFB intends to provide;

(iv) the branch expansion programme [if any] within the first five years;

(v) the proposed training programme for staff and management succession plan;

(vi) a five-year financial projection for the operation of the MFB, indicating its expected growth and profitability;

(vii) details of the assumptions upon which the financial projection has been made;

(viii) the organizational structure of the MFB, setting out in detail, the functions and responsibilities of the top management team;

(ix) the composition of the Board of Directors and the Curriculum vitae (CV) of each member including other directorships held [if any];

12 (x) appropriate management information systems, internal controls and procedures including manuals of operations and

(xi) the conclusions based on the assumptions made in the feasibility report.

f. a copy of the draft Memorandum and Articles of Association;

g. a letter of intent to subscribe to the shares of the proposed MFB, signed by each subscriber;

h. a copy of the list of promoters/proposed shareholders in tabular form, showing their business and residential addresses [not post office addresses] and the names and addresses of their bankers;

i. names and CVs of the proposed members of the Board of Directors. The CVs must be personally signed and dated; No proposed MFB under this policy shall incorporate/register its name with the Corporate Affairs Commission [CAC] until a written approval-in principle [AIP] has been communicated to the promoters by the CBN, a copy of which shall be presented to the Corporate Affairs Commission.

In considering an application for a licence, the CBN shall satisfy itself that:

(i) The promoters and the proposed Management team are “fit and proper” persons to invest in/manage the financial services industry in Nigeria by regulatory standards;

(ii) The promoters have submitted the names and curriculum vitae of the top management team of the proposed MFB;

(iii) The minimum paid-up capital/shareholders' funds of the relevant category being applied for is acceptable and the

Source is verifiable and satisfactory to the CBN;

(iv) the quality of the management of the proposed MFB is sound;

(v) The earnings prospect of the company is realisable; and

13

(vi) The objects of the company as disclosed in its Memorandum and Articles of Association agree with the services listed in the provisions of Section 3 of these guidelines.

J The CBN shall before the issuance of approval – in –principle [AIP] arrange an appraisal interview for the promoters of the proposed MFB. The date and time for the interview shall be communicated to the promoters in writing. k If satisfied, the Governor may grant a licence to the MFB; where the grant of licence is declined, the reason(s) for refusal shall be communicated in writing to the applicant.

l The CBN may at any time vary or revoke any conditions of a licence or impose additional conditions. m Where a licence is granted subject to some conditions, the MFB shall comply with those conditions to the satisfaction of the CBN within such period, as the CBN may deem appropriate in the circumstances. Any MFB that fails to comply with such conditions shall be guilty of an offence under BOFIA, 1991 [as amended]. n All licensed MFBs shall be required to add Micro Finance Bank (MFB) Ltd after their names which shall be registered with the Corporate Affairs Commission in compliance with the Companies and Allied Matters Act (CAMA)

7. FINANCIAL REQUIREMENTS

The application and licensing fees which may be varied at the instance of the CBN shall be as follows:

Unit MFB State MFB

a. Non-refundable Application fee N 50,000.00 N 100,000.00

b. Non-refundable Licensing fee N 100,000.00 N 250,000.00

c. Change of Name fee N 20,000.00 N 50,000.00

A MFB wishing to convert its licence status shall be required to pay the applicable non-refundable licensing fee.

8. DIRECTORS

- a. The maximum number of directors [including executive directors] on the Board of a MFB shall be seven [7], while the minimum shall be three [3]. To qualify for the position of a director in a MFB, it is hereby required that the person must not be a current employee of a bank or other financial institution, except where the MFB is promoted by a bank or other financial institution and the person is representing the interest of such institutions. In the circumstance, where a current employee of bank or other financial institution is proposed for the position of director, the consent of the employer must be given in writing to the CBN. No person shall serve as a director in more than two [2] institutions under the regulatory purview of the CBN.
- b. At least two [2] members of the board of directors other than the executive management shall be required to have banking or related industry experience.
- c. The appointment of new directors and management staff shall be approved by CBN.

9. MANAGEMENT REQUIREMENTS

The following minimum qualifications and experience are mandatory for officers who may occupy the key/top management positions in the MFB:

- a. Managing Director/Chief Executive - a recognized university degree or its equivalent and or professional qualification with at least 7 years post-qualification experience in banking or related industry.
- b. Departmental Head - a recognized university degree or its equivalent and or professional qualification with at least 5 years post-qualification experience in banking or related industry
- c. A person with any other qualifications or experience that may be considered adequate by the CBN may hold any of positions [a] and [b] within the organization.

10. CERTIFICATION PROCESS

In recognition of the peculiarities of microfinance services and the management of the MFB, it shall be required that the top management possesses the requisite certification on microfinance management from recognized certification institutions acceptable to the Central Bank of Nigeria. To fulfill this requirement, members of the top management team of MFB shall be required to submit evidence of certification. Members of executive management shall be required to possess certification on microfinance management not later than three (3) years after the take off of the certification programme. A transition period of twenty four [24] months shall be allowed for the take-off of this programme following the implementation of

the microfinance policy. Failure to comply with the above condition shall be a ground for the removal of the affected officer.

11. CONDITIONS PRECEDENT TO THE COMMENCEMENT OF OPERATIONS

a. The promoters of an MFB shall submit the following documents to the CBN before it is permitted to commence operations:

i. A copy of the shareholders' register in which the equity interest of each shareholder is properly reflected [together with the original for sighting];

ii. A copy of the share certificate issued to each shareholder;

iii. A certified true copy of Form C02 [Return of Allotments] filed with the Corporate Affairs Commission;

iv. A certified true copy of Form C07 [Particulars of Directors], and a written confirmation that the Board of Directors approved by the CBN has been installed;

v. a certified true copy of the Memorandum and Articles of Association approved by the CBN and filed with the

Corporate Affairs Commission;

vi. The opening statement of affairs audited by an approved firm of accountants practising in Nigeria;

vii. A certified true copy of the certificate of incorporation of the company [together with the original for sighting purposes [only];

viii. a copy each of the letters of offer and acceptance of employment by management staff and a written confirmation that the Management team approved by the CBN has been put in place; and

ix. A letter of undertaking to comply with all the rules and regulations guiding the operations of MFBs.

b. The MFB shall inform the CBN of the location and address of its Head Office in Nigeria and shall confirm that all infrastructures for take off are in place. In addition, the MFB shall show evidence that appropriate management information system, internal controls, and procedures including manuals of operations have been put in place.

c. The MFB shall be informed in writing by the CBN that it may commence business after physical inspection of its premises.

d. The MFB shall inform the CBN in writing of the date of commencement of business after the physical inspection of its premises.

12. SOURCES OF FUNDS

The sources of funds of an MFB shall consist of the following:

- a. shareholders' funds - paid-up share capital and reserves;
- b. deposits/savings of customers;
- c. debenture/qualifying medium to long term loans;
- d. grants/donations from individuals, organizations, national government, and international sources;
- e. fees and commissions; and
- f. interest income.

13. BOOKS OF ACCOUNTS

(i) The Board of Directors of a MFB shall ensure that the institution keeps proper books of account with respect to all transactions at the principal administrative office and in all its branches in English language or any other language approved by the Federal Government of Nigeria.

(ii) For the purpose of sub-section (i) of this section, proper books of account shall contain all information necessary to explain all its transaction and give a true and fair view of the state of affairs of the MFB and be presented in compliance with the accounting standards issued by the Nigerian Accounting Standards Board.

(iii) Where the books of account are not properly kept, in the opinion of the CBN, the Bank shall apply the provision of section 24 (5) of BOFIA, 1991 as amended.

(iv) If any person being a Director, Manager or officer of a MFB fails to take all reasonable steps to secure compliance with any of the provisions of this section, he or she shall be appropriately sanctioned in line with the provisions of these guidelines.

14 PORTFOLIO- AT- RISK [PAR]

a. PAR is the outstanding principal amount of all loans that have at least one installment past due for one or more days. The amount includes the unpaid principal balance including the accrued interest. Under PAR, loans are considered past due if payment has fallen due and remained unpaid. Loan payments are applied first to any interest due, and then to any installment of principal that is due but unpaid, beginning with the earliest installment. The number of days of lateness is based on the due date of the earliest loan installment that has not been fully paid.

- b. It shall be required that PAR shall not exceed 2.5% at any given time for a MFB.
- c. Past Due Micro finance Loans: This is any loan that has missed one day repayment in accordance with the agreed repayment term in the loan contract. Such loans whether restructured or refinanced shall attract appropriate provision for loan loss. The past due micro finance loans shall remain in the account of the MFB until it is fully repaid or arrangements are formalized for its reactivation/renewal/restructuring or collection case has been filed in court.
- d. Accrual of Interest earned. No accrual of interest shall be allowed after the microfinance loan has become past due. All interest accrued and or booked shall be reversed and no accrual of interest shall be allowed after the microfinance has become past due as defined in [c].
- e. Restructured Microfinance loans: These represent microfinance loans that have been renegotiated or modified to either lengthen or postpone the original scheduled installment payments, or substantially alter the original terms of the loans. Restructured loans, which shall include refinanced loans [i.e] loans disbursed to enable repayment or part repayment of prior loans that was past due], shall be treated as non-performing and no interest income shall be accrued thereon. No micro loan shall be restructured more than two times.
- f. Writing off of microfinance loans as bad debts. Microfinance loans that have been past due for 91 days or more and are fully provisioned may be written off accordingly.

15. RENDITION OF RETURNS

In compliance with the provisions of section 58[2] b of BOFIA, 1991 [as amended] the following quarterly returns shall be submitted by MFBs:

- a. Statement of Assets and Liabilities.
- b. Profit and Loss account.
- c. Schedule of Loans and Investments on sector basis (number and value)
- d. Schedule of liabilities (deposits) on maturity basis (number and value)
- e Interest rate structure
- f. Schedule of balances held with banks.
- g. Returns on
- i. borrowings from other MFBs, other financial institutions, individuals and non-financial institutions.

- ii. credits to other MFBs, other financial institutions, individuals/non-financial institutions, shareholders, affiliates, directors/management staff and others.
- iii. non-performing credits.
- iv. off balance sheet engagements.
- v. non-performing other assets. and
- vi. Other items as may be specified by the CBN. All quarterly returns must reach the Director of Other Financial Institutions Department (OFID) of the CBN, Lagos not later than 14 days after the end of each quarter. The Managing Director/Chief Executive Officer and the Chief Accountant [or equivalent] of the MFB shall sign and to every return made to the CBN a declaration of authenticity of its contents. The frequency of the returns may be reviewed from time to time by the CBN. Universal banks currently engaging in microfinance services either as an activity or product shall be required to submit the returns on their micro finance activities separately in accordance with stipulations of these guidelines.

16. COMPLIANCE WITH ANTI-MONEY LAUNDERING ACT AND KYC CIRCULARS

All MFB shall be required to comply with Anti-money Laundering Act 1995 as amended and the principles and procedures of Know Your Customer [KYC] and relevant circulars as issued by the CBN from time to time.

17. PUBLICATION OF AUDITED FINANCIAL STATEMENTS

Every MFB shall submit its audited financial statements and the abridged version of the accounts to the Director of OFID for approval not later than four months after the end of the company's financial year. The Domestic Report on the Accounts from the External Auditors shall be forwarded to the Director, OFID not later than three months after the end of the accounting year. After approval by the Central Bank of Nigeria, the MFB shall be required to display an abridged version of its audited financial statements in its head office and all its branches. Every approved audited account shall disclose in detail the penalties paid as a result of the contravention of BOFIA, 1991 [as amended] and any policy guidelines in force during the year in question and the auditor's report shall reflect such contraventions. Any MFB that fails to comply with the above requirements shall be liable to a fine not exceeding N20, 000.00 for each day during which the offence continues.

18. PENALTIES FOR LATE OR FALSE/INACCURATE RETURNS OR OTHER INFORMATION

A. For lateness in submitting a return/furnishing any information required, the penalty shall be a fine of N20, 000.00 for each day during which such failure occurs. Persistent failure/refusal to render returns in the prescribed form shall be a ground for the revocation of an MFB's licence.

b. Where the Bank considers it necessary, it may appoint a firm of qualified accountants to prepare proper books of account or render accurate returns, as the case may be, for the MFB concerned and the cost of preparing the account or rendering the returns shall be borne by the MFB.

c. If any Director or Officer of a MFB fails to take all reasonable steps to ensure that proper books of accounts are kept with respect to all transactions by the company at its Head Office and/or at its branches, the CBN may impose on him a fine not exceeding N20,000.00 and in addition shall be removed and black-listed. If any default in this respect is caused by the willful act of any Director or Officer of the MFB, the CBN may impose on him a fine not exceeding N1.0 million or cause the removal of such Director or Officer in order to protect the integrity of the financial system. In addition, the Bank may impose on the MFB such other penalties as are deemed appropriate.

19. PRUDENTIAL REQUIREMENTS

Every MFB shall comply with the following requirements:

a. Compulsory investment in treasury bill All MFBs shall be required to maintain not less than 5% of their deposit liabilities in Treasury Bills [TBs]

b. Liquidity Ratio

The operation of MFBs requires the maintenance of high level of liquid assets to meet frequent request for funds from clients and for field operations. All MFBs shall be required to maintain a minimum ratio of twenty percent [20%] of their deposit liabilities including 5% compulsory investment in the Treasury Bills in the liquid assets.

c. Capital Funds Adequacy

A MFB shall at all times maintain a minimum capital adequacy ratio as may be prescribed by the CBN from time to time. The capital adequacy ratio shall be measured as a percentage of the capital base of a MFB to its risk-weighted asset exposure in accordance with the provisions which the CBN shall prescribe. The minimum Capital Adequacy Ratio [Capital/Risk Weighted Assets Ratio] for each Micro- Finance Institution shall be 10%.

Furthermore, a MFB is expected to maintain a ratio of not less than 1:10 between its shareholders fund unimpaired by losses and net credits. The CBN may require a MFB to maintain additional capital as it considers appropriate in respect of specific concentration of risks or market risks or connected lending. When any of the above ratios fall below the prescribed level, the MFB shall be prohibited from any or all of the following until the required ratio is restored:

- i. grant credits and undertake further investment;
- ii. Pay dividend to shareholders; and
- iii. Borrow from the investing public.
- iv. Open branch/cash centre

In addition, the MFB shall be required to submit within a specified period, a recapitalization plan acceptable to the CBN. Failure to comply with the above may constitute grounds for the revocation of the operating licence of the MFB or such other penalties as may be deemed appropriate. MFB are enjoined to ensure that their shareholders' funds do NOT fall below the required minimum paid-up capital.

c. Fixed Assets/Long-term Investments and Branch Expansion No MFB shall be allowed to finance any of the following other than from the share holders' funds, unimpaired by losses:

- i. acquisition of fixed assets;
- ii. Equity investments and investments in long-term debentures; and
- iii. Branch expansion.

In consideration of a request for any or a combination of the above options, reference shall be made to the aggregate value of the listed items against the shareholders' funds, unimpaired by losses.

d. Maintenance of Capital Funds

MFBs are generally expected to pay less emphasis on collaterals in granting credits. The impact of delinquent risk assets, which may result in capital erosion, calls for stringent maintenance of capital funds. Every MFB shall therefore maintain a reserve fund into which shall be transferred out of its net profits for each year before it declares any dividend and after it has made provision for any taxes, the following amounts:-

- (i) Where the amount of the MFB's reserve fund is less than 50 percent (50%) of its paid-up capital, an amount which shall not be less than 50 percent(50%) of the MFB's net profit for the year;
- (ii) Where the amount of the MFB's reserve fund is 50 percent (50%) or more, but less than 100 percent (100%) of its paidup capital, an amount which shall not be less than 25 percent

(25%) of the MFB's net profit for the year; or

(iii) Where the amount of the MFB's reserve fund is equal to 100 percent(100%) or more of its paid up capital, an amount equal to 12.5percent(12.5%) of the MFB's net profit for the year. A MFB shall not appropriate any sum or sums from the balance in its reserve fund unless prior approval in writing is obtained from the CBN for the purpose, which may be granted for such amount and subject to compliance with such conditions as the CBN may determine. The CBN may, from time to time, vary the proportion of net profit transferable to Statutory Reserves.

No accretion shall be made to the reserve fund until:

- i. all preliminary and pre-operational expenses have been written off;
- ii. adequate provision has been made for loan loss/assets deterioration; and
- iii. all identifiable losses have been fully provided for.

e. Restrictions on Declaration of Dividend

A MFB shall not declare or pay a dividend on its shares until it has,

- (i) Completely written-off all its preliminary and preoperational expenses;
- (ii) Made the required provisions for non-performing loans and other erosions in asset values;
- (iii) Satisfied the minimum capital adequacy ratio requirement and
- (iv) Met all matured obligations.

1. Where the payment of dividend would result in withdrawal of any part of the free reserves due to inadequacy of the profit for the year or where the statutory report of the auditors on the Annual Accounts of the bank is not satisfactory, the MFB may declare any dividend on its shares only after obtaining the prior approval of the CBN

2. Where a MFB declares or pays any dividend in contravention of this provision, every director and chief executive officer of the MFB shall be liable to pay to the CBN a penalty, the sum of which shall be determined by the CBN

f. Limit of Lending to a Single Borrower and Related Party The maximum loan by MFB to any individual borrower or director, related borrowers shall not exceed one [1%] percent, while group borrower is restricted to a maximum of 5% of the MFB's shareholders' fund unimpaired by losses or as may be prescribed by the CBN from time to time. In addition, aggregate insider-related lending shall not exceed 5% of the paid up capital of the MFB at any time. For this purpose, loans under staff scheme shall not apply, but shall be in accordance with the staff conditions of service. Any contravention will attract a penalty of

N1.0million on the MFB and a fine of N100, 000.00 on the director/manager who fails to comply.

g. Maximum Equity Investment Holding Ratio the aggregate value of the equity participation of a MFB in all permissible enterprises shall NOT exceed 7.5% of its shareholders fund unimpaired by losses without prior approval in writing by the CBN.

h. Provision for Classified Assets All performing risk assets formed by MFBs shall attract 1% general provision. Provision for non-performing risk assets and other assets shall be as stated hereunder. Days at Risk [No of days missed payment] Description Provisioning Requirement or allowance for

probable losses [%]

0 Performing 1%

1- 30 days Pass and watch 5%

31-60 days Substandard 20%

61-90 days Doubtful 50%

91 or more days and

/or restructured loans

Lost 100%

Each MFB shall review at least once every thirty days, its loans and advances and other investments and make appropriate provisions for loan losses or assets deterioration. Every MFB must send to the OFID every month a schedule of loans/investments showing the provisions made for losses or deterioration in the quality of the loans/investments.

i. Contingent Items

The concept, use and treatment of Bankers Acceptances [BAs] and Commercial Papers [CPs] to banks and discount houses and other financial institutions shall apply to MFB.

j. Limit of Investment in Fixed Assets The maximum amount, which a MFB can invest in fixed assets, is 20% of its shareholders' funds unimpaired by losses. Any contravention shall attract a penalty not exceeding N2million or suspension of the licence.

k. Revaluation of Fixed Assets

Prior approval of the CBN must be obtained by any MFB before the recognition of the revaluation surplus on fixed assets in its books, taking into consideration that:

I. the basis of the underlying fixed assets valuations are stated and the valuation made by qualified professional valuers whose identity and qualifications are stated;

- ii. The difference between the market and the historic values of the eligible fixed assets being revalued is to be discounted by 55%;
- iii. The revaluation of fixed assets is applicable to own premises only; and
- iv the revaluation of fixed assets (owned premises only) is permissible within a minimum period of 5 years after the date of the purchase of the asset or the last revaluation.

20 Special Prudential standards Some regulations common in traditional banking shall be adjusted at the full discretion of the CBN from time to time, to accommodate the peculiarity of microfinance services as detailed in this section.

a) Unsecured Lending limits:

In accordance with the provisions of BOFIA section 20(2)(a), any unsecured advances or loans or credit facilities of an aggregate amount in excess of fifty thousand naira [N50,000.00] is not permitted. For the purpose of applying this regulation to MFB, group guarantees or third party guarantees of an individual acceptable to the MFB shall qualify as collateral for microfinance loans.

b) Loan documentation requirement:

Given the nature of microfinance loan sizes and customers, collateral registration, financial statements of borrowers or evidence that those businesses are formally registered shall not be required.

c) Restriction of Co-signers as Borrowers: The restriction prohibiting a bank from lending to someone who has cosigned or other wise guaranteed a loan from the same bank shall not apply to Micro Finance Bank.

d) Reporting Requirements: The reporting requirements for microfinance banks shall be simplified to minimize administrative costs to them.

e) Cash Reserve Requirements: The mandatory cash reserve requirements [CRR] for banks shall not apply to an MFB, rather an MFB shall be required to have compulsory investment of 5% of its total deposit liabilities in the treasury bills which shall qualify as specified liquid asset in computation of its liquidity ratio.

21 ASSESSMENT OF SOUNDNESS

MFB rating is a standard measurement for the assessment of its performance in capital, asset quality, management, earnings, and liquidity (CAMEL), with weightings as follows:

CAMEL FACTORS WEIGHT

Capital 30%

Asset quality 30%

Management 20%

Earnings 10%

Liquidity 10%

The factors that may affect rating are violations of the Legal Lending Limit and Judgment factors. Judgmental factors may reduce bank rating to Unsound in the event of Internal disputes, intervention by third parties, window dressing, unsound banking Practices, financial difficulties, and other irregular banking practices. Rating is divided into four categories: sound, satisfactory, marginal and unsound.

22. REQUIREMENTS FOR INCREASE IN SHARE CAPITAL

All increases in share capital in any form shall be approved by the CBN. Application in respect of this shall be supported with the following:

- A. board resolution authorizing the increase;
- B. evidence of payment of stamp duty;
- C. Corporate Affairs Commission [CAC] registration of the increase;
- D. Form C02 showing the additional capital;
- E. share certificate issued to shareholders;
- F. photocopy of share register showing the entries of allotment,
- G. evidence of payment for the new allotment of shares by the shareholders [photocopies of cheques lodged should be attached]. No cash payment is allowed for significant acquisition i.e up to 5% of share in MFB;
- H. statements of accounts from banks reflecting the cheques lodged and cleared;
- I. vouchers showing evidence of internal transfer or payment for the right issues allotted;
- J. copies of letters to shareholders conveying allotment of shares; and
- K. any other information that may be required or stipulated by the CBN.

23. DISCLOSURE OF INTEREST BY DIRECTORS AND OFFICERS OF MFBs.

Every Director and Officer of a MFB, who has any personal interest, whether directly or indirectly, in an advance, loan or credit facility or proposed advance, loan or credit facility, vendor services from the MFBs in which he/she is serving, shall promptly declare the nature of his/her interest in writing to the Board of Directors of the MFB and the declaration shall be circulated to all the directors. Every Director or Officer of a MFB who holds any office or possesses any property whereby, whether directly or indirectly, duties or interests might be

created in conflict with his duties or interest as a Director or Officer of the MFB, shall declare at a meeting of the Board of Directors of the MFB, the fact and the nature, character and extent of such interests. Any Director or Officer who contravenes either of these regulations shall be liable to a fine of N500, 000.00 or removal from office.

24. DISCLOSURE OF REQUIRED INFORMATION TO CREDIT

REFERENCE BUREAU

Every MFB shall be required to supply information on all its credit clients to the Credit Bureau from time to time. In addition, all MFBs shall provide:

- (a) Details of non-performing loans or credit accommodations classified as doubtful or lost in its portfolio, where the amount owed is not in dispute, the customer has not made any satisfactory proposals for repayment following formal demand, and the customer has been given at least twenty-eight days' notice of the intention to disclose that information to the Credit Reference Bureau;
- (b) Information on its customers involved in financial malpractices including dud cheques.
- (c) No information other than that referred to in the above subsection shall be divulged by any institution to the Credit Reference Bureau without customers' consent.
- (d) Where (i) the credit reference bureau; or (ii) an institution, Discloses to an institution or its officer, the Credit Reference Bureau or its officer, the information referred to in subsection (a) and (b) in good faith, in the performance of their duties, no right of action shall accrue to or against the customer for breach of any duty of confidentiality.
- (e) Any customer of an MFB has a right to know his credit status forwarded to Credit Reference Bureau.

25. OPENING/RELOCATION AND CLOSING OF BRANCHES

Prior approval of the CBN is required for the opening, relocation or closing of branches or cash centres. In the case of relocation, appropriate notice of intention to relocate principal place of business shall be given to the general public by the MFBs after the CBN's approval.

In contravention, the MFB shall be made to pay a fine not exceeding N200, 000.00 and also close or reopen the branch as the case may be and in addition, a fine of N 20, 000.00 for each day during which the offence continues.

26. CHANGE OF NAME BY LICENSED MFBs.

The MFB shall be required to obtain CBN approval before effecting change of name as contained in its operational licence.

27. DISPLAY OF LICENCE

A copy of a MFB's licence shall be displayed in a conspicuous position at its Head Office as well as in the branches. In contravention, the MFB shall be penalized in line with Section 60[i] of the Bank and Other Financial Institutions Act [BOFIA] 1991 (as amended).

28. DISPLAY OF INTEREST RATES

Every MFB shall display on a daily basis in a conspicuous place at its Head Office and branches, its rates of interest. Interest rates shall be quoted on annual basis and not monthly. In contravention, the MFB shall be liable to a fine of N50, 000.00 and N5, 000.00 in addition, for every day during which the offence continues or such other penalties deemed appropriate.

29. INTERNAL CONTROLS

Every MFB shall have an Internal Audit Unit, which shall ensure that the operations of the company conform to the law as well as to its internal rules and regulations. The Internal Auditor shall forward his report directly to the Board of Directors to strengthen corporate governance in the MFB. Every fraud or attempted fraud must be promptly reported to the Director of OFID by the head of the unit. Also, a quarterly report on frauds and forgeries affecting the company and any default in meeting any obligation to lenders or investors shall be submitted to the Director, OFID. Where no frauds/forgeries and defaults occurred during the quarter, a nil return shall be forwarded. The report shall be made along with the quarterly returns on assets and liabilities. Failure to comply with this requirement shall attract a fine of N50, 000.00 per quarter.

30. APPOINTMENT OF CHIEF EXECUTIVE AND PRINCIPAL OFFICER

The appointment or replacement of the Chief Executive Officer or any of the Principal Officers of any MFB shall be cleared with the CBN before such appointments are made. Where the turnover of principal and senior officers is considered to be unduly high or where the reason for leaving by an officer suggests an attempt to cover up a fraud or other illegal activity, or punish the officer for attempting to prevent illegal activities, the CBN shall cause an investigation to be conducted into the matter and other affairs of the MFB as may be considered necessary. The report of such investigation or special examination shall determine the penalty to be imposed on the MFB concerned.

31. APPOINTMENT OF EXTERNAL AUDITOR

Every MFB shall appoint an approved external auditor, whose duties shall be to make to the shareholders a report on the annual financial statements of the company and every such report shall contain true and fair statements as to the matters and such other information as may be prescribed from time to time by the CBN. The approved auditor shall satisfy the following requirements:

- A. a member of a recognized professional accountancy body in Nigeria;
- B. continues in professional practice as accountant and auditor in Nigeria;
- C. no person shall be appointed as the auditor of a MFB if:
 - i. He has interest in that MFB other than as a depositor
 - ii. He is a director, officer or agent of such institution
 - iii. It is a firm in which a director of the MFB has interest as partner or director
 - iv. He is indebted to the MFB.
- d. any auditor who is subsequently affected by Section 24(C) above shall immediately cease to continue as the auditor of the MFB.
- e. an approved auditor in the course of his duties shall immediately report to the CBN formally if it is certified that:
 - i. there has been a contravention of BOFIA, 1991 (as amended) or that an offence under any other law, guidelines, circulars, etc has been committed by the MFB or any of its officers; or
 - ii. Losses have been incurred by the MFB which substantially reduce its capital funds; or
 - iii. any irregularity which jeopardizes the interest of depositors or creditors of the MFB or any other irregularity has occurred, or
 - iv. He is unable to confirm that the claims of the depositors or creditors are covered by the assets of the MFB.
- f. The approved auditor shall also forward to the CBN two copies of the domestic report on the activities of the MFB not later than three (3) months after the end of the financial year of such MFB.
- g. The approved auditor shall have the right of access at all times to all books, accounts and vouchers of the MFB and shall be entitled to require from directors, managers and officers of the MFB all information and explanation he considers necessary for the performance of his audit.

- h. If any MFB fails to appoint or fill a vacancy for an approved auditor, the CBN shall appoint a suitable person for that purpose and shall fix the remuneration to be paid by the MFB to such auditor.
- i. The appointment of an approved auditor shall not be determined without a prior written approval of the CBN.
- j. Any approved auditor who acts in contravention of the foregoing requirements or fails deliberately or negligently to comply with the requirements of this section shall be liable to a fine of a maximum of N50,000.00 or a determination of his status as an approved auditor to all financial institutions under the supervisory purview of the CBN.
- k. No Audit Firm shall serve the same institution as External Auditor for a continuous period exceeding three [3] years in order to enhance transparency in reporting.

32. SCHEME OF ARRANGEMENT

No MFB shall enter into any “Scheme of Arrangement” with its creditors/investors without obtaining the prior approval of the CBN. Any MFB that is unable to meet its obligations to its creditors or investors shall submit its proposals to restore liquidity or viability and for eventual settlement of its outstanding obligations to the Director of OFID for consideration and approval. Failure to comply with this will attract a penalty of N2,500.00 for each day during which the contravention exists.

33. RESTRUCTURING AND REORGANIZATION

Except with the prior consent of the Governor of the CBN, no MFB shall enter into an agreement or arrangement:

- A. which results in a change in the control of the MFB;
- B. for the sale, disposal or transfer of the whole or any part of the business of the MFB;
- C. for the amalgamation or merger of the MFB with any other company;
- D. for the restructuring of the MFB ; and
- E. to employ a management agent or to transfer its business to any such agent.

34. TRANSFORMATION OF OTHER INSTITUTIONS TO MICRO FINANCE BANK (MFB)

Any financial institution under the purview of the Central Bank of Nigeria that intends to transform to a Micro Finance Bank shall apply to the Bank and ensure that the licensing requirements for MFB are met.

a) Universal banks:

A universal bank could operate a microfinance bank by setting up a subsidiary MFB and obtaining a licence for it. Universal banks currently engaging in microfinance services either as an activity or product and do not wish to set up a subsidiary shall be required to set up a department/ unit for such services and shall be subjected to the provisions of the MFB regulatory and supervisory guidelines. The department /unit shall be headed by a staff of not less than a Deputy General Manager or its equivalent for that purpose. Due to the peculiarity of microfinance practice and the nature of assets formed, the micro finance department of such a bank shall be required to have the following:

I. Management team,

II. Internal Control and Procedure, and Manuals of Operations specifically designed for microfinance.

III. Management Information System [MIS] and loan tracking mechanism.

IV. Dedicated unit at branch level that is equipped for deposit mobilization and credit monitoring.

V. reporting format and policy for income recognition for MFBs- i.e loan loss provision.

VI. Management that have completed the Certification Programme and any other condition that the CBN may require from time to time. Any Universal bank that engages in micro finance services as an activity or product shall be required to submit separate quarterly returns of its micro finance portfolio aside from its other lending activities.

b) Community banks:

All licensed community banks prior to the approval of this policy shall transform to Unit microfinance banks on meeting the prescribed new capital and other conversion requirements within a period of 24 months from the date of approval of this policy. Any community bank that fails to meet the new capital requirement within the stipulated period shall cease to operate as a community bank. A community bank can apply to convert to a microfinance bank licensed to operate in a state if it meets the capital and other conversion requirements.

Specifically, Community Banks [CBs] wishing to transform to MFBs shall meet the following requirements:

- (i) The minimum shareholders' funds must be raised to a minimum of N20million for LGA coverage, while that of State wide coverage shall be N1.0 billion.
 - (ii) Upgrade its Management team, Internal Control, Management Information System [MIS] and Procedure and Manuals of Operations.
 - (iii) May wish to have a branded name not limited to the catchment's area of its original location.
 - (iv) Meet criteria for branch network when it applies.
 - (v) Adopt the reporting format and policy for income recognition for MFBs- i.e loan loss provision.
 - (vi) Board and Management to undergo Certification Programme.
 - (vii) Board and Management re-orientation on commercial Micro finance vision.
- c) Non Governmental Organization (NGOs)-MFIs A transforming NGO-MFI shall be required to provide an Institutional Assessment by a rating agency with specialization in micro financing and a certified statement of affairs by a firm of chartered accountants acceptable to the CBN. The institutional assessment shall include the NGO financial position, governance structure, human resources, risk management policy, control procedures, accounting and management information systems. The application for conversion to MFB shall be supported by:
- I. Board resolution approving transformation and stating the objectives
 - II. Detailed feasibility report including a business plan specifying what the MFB plans to achieve in the next five years
 - III. Detailed CVs of the proposed board members of the MFB and commitment letters to serve as board member and subscribed capital, if any.
 - IV. Draft Memorandum and Articles of Association
 - V. Proposed name of the MFB
 - VI. Details of assets & liabilities to transfer to the MFB- the transfer shall be admissible at the value assessed/ determined by the audit/consulting team during institutional assessment phase.
 - VII. Payment of the MFB application fee as specified in this guidelines The institution shall be required to submit separate quarterly returns of its micro finance portfolio aside from its other lending activities. In consideration of meeting the minimum capital requirement/ shareholders' funds, an existing institution shall be exempted from depositing the paid-up capital requirement (as the case may be) with the Central Bank of Nigeria. Its capital shall however be subject to verification by the CBN for confirmation.

35. Collaboration to regulate deposit/savings mobilizing Institutions To prevent regulatory arbitrage at the lower end of the financial market, the CBN shall collaborate with other relevant agencies of the government to supervise the activities of financial cooperative and NGOs that have significant operations due to their micro savings/deposit taking activities from their members. Any of these Institutions that attains a total assets of twenty million [N20 million] naira and or total membership/clients of two thousand [2000] shall be required to transform to relevant category of MFB subject to the licensing requirements. Collaboration between the CBN, CAC and relevant government agencies shall be promoted to reduce arbitrage in the practice of microfinance.

36. CONDITIONS FOR GRANT OF APPROVAL-IN-PRINCIPLE

The Central Bank of Nigeria, on receipt of an application, which is complete in all respect, shall process the application and if satisfied with the overall quality of the proposal, shall grant Approval-in-Principle for establishing the MFB within three[3] month of receipt of the application.

37. CONDITIONS FOR FINAL LICENCE AND COMMENCEMENT OF BUSINESS

A proposed MFB with Approval-in-principle shall be granted a final operating licence after satisfying the conditions stated in section 6 of this guideline. Before being granted approval to commence operation, a newly licensed MFB shall be required to comply with conditions precedent to the commencement of operations as contained in section 7 of this guideline.

38. CONDITIONS FOR REVOCATION OF LICENCE

The grounds for revoking a licence granted to an MFB may be any or all of the following:
a submission of false information/data during and/or after the processing of the application for licence;

B. the use of proxies or disguised names to obtain a licence of MFB;

C engaging in functions/activities outside the permissible scope of its licence as specified in Section 1 of these guidelines;

D. persistent failure to comply with request for information/data in the form required/specified by CBN;

E. engaging in activities prejudicial to the Nigerian economy;

F. failure to redeem matured obligations to customers;

- G. unauthorized shop closure;
- H. failure to comply with any directive issued by CBN;
- I. any other act[s] which in the opinion of CBN constitute[s] a violation or a serious default;
- j Engage in prohibited activities as listed in these guidelines and
- k such other conditions that are applicable to banks and other financial institution that constitute a ground for revocation .under Banks and Other Financial Institutions Act [BOFIA] 1991. [as amended].

39. EXIT CONDITIONS

The condition for exit of a licensed MFB shall be as prescribed by the relevant sections of the Banks and Other Financial Institutions Act [BOFIA] of 1991[as amended] as applicable to deposit taking financial institutions and the Companies and Allied Matters Act [CAMA] 1990

40. GENERAL

The list of valid licences shall be published by the CBN from time to time.

CBN, ABUJA,

December 2005

Appendix B
List of Microfinance Banks in Nigeria

Name	Type of Institution	Old Name	Date Reregistered	Street Address	Area	State	Date Licensed
A.D.A Microfinance Bank Limited	MicroFinance Bank			Nasarawa		NAS	4/21/2011
AACB Microfinance Bank Limited	MicroFinance Bank	Adazi-Ani CB	1/18/2008	Adazi-Ani Town Hall, Adazi Ani,		ANA	1/18/2008
AB Microfinance Bank Limited	MicroFinance Bank			Lagos		LAG	11/21/2008
Abatete Microfinance Bank Limited	MicroFinance Bank	Abatete Community Bank Limited	1/22/2008	Abatete Town, Idemili Local Govt Area,		ANA	1/22/2008
ABC Microfinance Bank Limited	MicroFinance Bank	Okada Community Bank Limited	1/2/2008	Mission Road, Okada,		EDO	1/2/2008
Abia State University Microfinance Bank Limited	MicroFinance Bank	Abia State Univ. Community Bank Limited	1/2/2008	Uturu, Isuikwuato LGA, Abia State		ABI	1/2/2008
Abigi Microfinance Bank Limited	MicroFinance Bank	Abigi Community Bank Limited	1/2/2008	28, Moborode Odofin Street,		OGU	1/2/2008
Abokie Microfinance Bank Limited	MicroFinance Bank		2/22/2008	c/o Plot 2, Murtala Mohammed Square, Independence		KAD	2/22/2008
Abriba Microfinance Bank Limited	MicroFinance Bank	Abriba Community Bank Limited	1/2/2008	Erinma Hall Secretariat, Abriba		ABI	1/2/2008
Abucoop Microfinance Bank Limited	MicroFinance Bank			Plot 251, Millenium Builder's Plaza,	Garki	ABU	2/18/2010
Accion Microfinance Bank Limited	MicroFinance Bank		6/11/2007	2nd Floor, Fabac Centre, 3, Ligali Ayorinde Avenue		LAG	
ACE Microfinance Bank Limited	MicroFinance Bank	ACE Community Bank Limited	1/2/2008	3, Daniel Aliyu Street, Kwali, Abuja		ABU	1/2/2008

ACFL Microfinance Bank Limited	MicroFinance Bank				Niger Insurance Plaza, 2nd Floor	Lagos Island	LAG	11/21/2008
Achina Microfinance Bank Limited	MicroFinance Bank	Achina Community Bank Limited	1/2/2008		Achima Aguata LGA, Anambra State		ANA	1/2/2008
ACJEC Microfinance Bank Limited	MicroFinance Bank				No.6, High Court Road, Awka	Awka	ANA	5/4/2011
Acorn Microfinance Bank Limited	MicroFinance Bank	Ama Community Bank Limited	1/2/2008		11, Okrika (Station) Road		RIV	1/2/2008
Active Point Microfinance Bank Limited	MicroFinance Bank		8/24/2007		18A Nkemba Street, Uyo		AKW	8/24/2007
Acuity Microfinance Bank Limited	MicroFinance Bank		3/17/2008		167, Adeniji Adele Road, Lagos		LAG	3/17/2008
Adaigbo Microfinance Bank Limited	MicroFinance Bank	Ogwashi Uku Community Bank Limited	1/2/2008		12, NEPA Road, Ogwashi-Uku		DEL	1/2/2008
Adazi- Nnukwu Microfinance Bank Limited	MicroFinance Bank	Adazi-Nnukwu Community Bank Limited	1/2/2008		Near Eke Market, Adazi Nnukwu, Adazi, Anambra Stat		ANA	1/2/2008
Adazi-Enu Microfinance Bank Limited	MicroFinance Bank	Adazi-Enu Community Bank Limited	1/2/2008		Nkwor Market Square, Adazi- Enu, Anaocha Local Go		ANA	1/2/2008
Addossar Microfinance Bank Limited	MicroFinance Bank				4th Floor, Globe Motors Building,	Victoria Island	LAG	11/21/2008
Adkolm-Emerald Microfinance Bank Limited	MicroFinance Bank		12/18/2007		C/O Pastor Ademiluyi O. Adekoya 3, Ademiluyi Stree		LAG	12/18/2007
Advance Microfinance Bank Limited	MicroFinance Bank				18, Udoh Street, Uyo	Uyo	AKW	4/21/2011
Afemai Microfinance Bank Limited	MicroFinance Bank	Uzairue Community Bank Limited	9/20/2007		61B, Bode Road, Jattu-Uzairue		EDO	9/20/2007
Afotamodi-Ogunola Microfinance Bank	MicroFinance Bank	Isara CB & Ipara CB	1/2/2008		1, Ajina Street, Isara Remo		OGU	1/2/2008

Bank Limited	Bank	Bank Limited					
Ajiya Microfinance Bank Limited	MicroFinance Bank	Ajiya Microfinance Bank Limited	10/5/2007	c/o Leadway Assurance Co. Ltd, NN 28/29 Constitut	KAD	10/5/2007	
Ajose Microfinance Bank Limited	MicroFinance Bank	Ajose Community Bank Limited	1/2/2008	Ejinrin Road, Ijebu South	OGU	1/2/2008	
Ajuta Microfinance Bank Limited	MicroFinance Bank	Ogbagi Community Bank Limited	1/2/2008	Market Road, Loso Quarters, Ogbagi Akoko	OND	1/2/2008	
Akalabo Microfinance Bank Limited	MicroFinance Bank	Amesi Community Bank Limited	1/2/2008	Co-operative House, Afor Market Square	ANA	1/2/2008	
AKCOFED Microfinance Bank Limited	MicroFinance Bank			C/O Edet Ukim, 1 Mobolaji Ajibola Thomas Estate	LAG	4/21/2011	
Akesan Microfinance Bank Limited	MicroFinance Bank	Akesan Community Bank Limited	1/2/2008	Ifedapo Co-operative House, Ibadan Road,	OYO	1/2/2008	
Akin Microfinance Bank Limited	MicroFinance Bank	Akin Community Bank Limited	1/2/2008	Block F, Ika Ika Oqua Market, Big Qua Town	CRO		
Akokwa Microfinance Bank Limited	MicroFinance Bank	Akokwa Community Bank Limited	1/2/2008	Oris-Akokwa Market Square,	IMO	1/2/2008	
Akpo Microfinance Bank Limited	MicroFinance Bank	Akpo Community Bank Limited	1/2/2008	Akpo Junction, Akpo, Aguata LGA, Anambra State	ANA	1/2/2008	
Aku Diewa Microfinance Bank Limited	MicroFinance Bank	Aku Diewa Community Bank Limited	1/2/2008	Aku, Igbo-Etti Local Govt Area	ENU	1/2/2008	
Akwengwu Microfinance Bank Limited	MicroFinance Bank	Akwengu Community Bank Limited	1/2/2008	10/0229, Idanuha Quarters, Okene-Lokoja Road, Oga	KOG	1/2/2008	
Alache Microfinance Bank Limited	MicroFinance Bank			12, Bank Road, Ogoja	CRO	8/22/2009	
Al-Barakah Microfinance Bank Limited	MicroFinance Bank			1, Thanni Olodo Street, Jibowu-Yaba	LAG	8/22/2009	

Alekun Microfinance Bank Limited	MicroFinance Bank	Alekun Community Bank Limited	1/2/2008	6, Oladipo Diya Road, Odogbolu	OGU	1/2/2008
Aliero Microfinance Bank Limited	MicroFinance Bank	Aliero Community Bank Limited	1/2/2008	Attahiru Road, Aliero Local Government Area, Alier	KEB	1/2/2008
Alkaleri Microfinance Bank Limited	MicroFinance Bank	Alkaleri Community Bank Limited	1/2/2008	c/o Alkaleri Local Government Area, Alkaleri	BAU	1/2/2008
All Seasons Microfinance Bank Limited	MicroFinance Bank			Abuja	ABU	4/21/2011
All Workers Microfinance Bank Limited	MicroFinance Bank	All Workers Community Bank Limited	1/2/2008	Ugisi Orji, Uratta	IMO	1/2/2008
Aloaye Microfinance Bank Limited	MicroFinance Bank	Agenebode Community Bank Limited	1/2/2008	31, Mission Road, Agenebode	EDO	1/2/2008
Alor Microfinance Bank Limited	MicroFinance Bank	Alor Community Bank Limited	1/2/2008	Nkwor Alor Market Square, Idemili South LGA, Anamb	ANA	1/2/2008
Altitude Microfinance Bank Limited	MicroFinance Bank		2/15/2008	Zone B, Block 14 Extension, ASPAMDA	LAG	2/15/2008
Alvana Microfinance Bank Limited	MicroFinance Bank	Alvana Community Bank Limited	1/2/2008	Alvan Ikoku College of Education	IMO	1/2/2008
Amaifeke Microfinance Bank Limited	MicroFinance Bank	Amaifeke Community Bank Limited	1/2/2008	95, Ihioma Road, Amaifeke Orlu	IMO	1/2/2008
Amazu Microfinance Bank Limited	MicroFinance Bank			Lagos	LAG	4/21/2011
Amba Microfinance Bank Limited	MicroFinance Bank	Amba Community Bank Limited	1/2/2008	1, Makurdi Road, Lafia Local Govt Area	NAS	1/2/2008
Amegy Microfinance Bank Limited	MicroFinance Bank			1, Paul Odulaja Crescent, Ifako Gbagada	LAG	4/21/2011
AMJU-Unique Microfinance Bank Limited	MicroFinance Bank			Delta	DEL	4/21/2011

Amoye Microfinance Bank Limited	MicroFinance Bank	Amoye Community Bank Limited	1/2/2008	Community Bank Premises, Oke-Aodu	EKI	1/2/2008
Amram Microfinance Bank Limited	MicroFinance Bank		12/26/2007	No. 3, Nekede Road, Owerri	IMO	12/26/2007
Amucha Microfinance Bank Limited	MicroFinance Bank	Amucha Community Bank Limited	1/2/2008	Bank House, Amucha, Via Orlu Njaba	IMO	1/2/2008
Amuro Microfinance Bank Limited	MicroFinance Bank	Amuro Community Bank Limited	1/2/2008	Ilorin-Kabba Road, Post Office Close	KOG	1/2/2008
Anchorage Microfinance Bank Limited	MicroFinance Bank	Anchorage Community Bank Limited	1/2/2008	Highbury Plaza, 104 Gado Nasco Road, Kubwa, abuja	ABU	1/2/2008
Aniocha Microfinance Bank Limited	MicroFinance Bank	Aniocha Community Bank Limited	1/2/2008	Umeadi House, Ogbeofu Quarter	DEL	1/2/2008
Annoited Microfinance Bank Limited	MicroFinance Bank			No. 2, Effurun-Sapele Road, Effurun	DEL	
Anya Microfinance Bank Limited	MicroFinance Bank	Anya Community Bank Limited	1/2/2008	Line C4/1-6 Relief Market, Obodo-Ukwu Road,	ANA	1/2/2008
Aogo Microfinance Bank Limited	MicroFinance Bank	Aogo Community Bank Limited	1/2/2008	Oba Adesanoye House,	OND	
Apa Microfinance Bank Limited	MicroFinance Bank	Onyagede-Adoka-Ogboju CB	1/2/2008	Makurdi Road, Adoka, Otukpo	BEN	1/2/2008
Apeks Microfinance Bank Limited	MicroFinance Bank		6/6/2007	Ghalib Chambers, 2nd Floor, Ghalib House 24, Abdul	KWA	6/6/2007
Apex Microfinance Bank Limited	MicroFinance Bank		10/17/2007	C/O Goldenbridge Ultimate Services Limited, FMBN B	OYO	10/17/2007
Apex Trust Microfinance Bank Limited	MicroFinance Bank			FMBN Building, 1, Adekunle Fajuyi Road, Dugbe	OYO	4/21/2011
Apple Microfinance Bank	MicroFinance Bank	Oru & Ayetoro CBs	1/2/2008	26, Agbon Street, Oru-Ijebu	OGU	1/2/2008

Limited	Bank							
Aracom Microfinance Bank Limited	MicroFinance Bank	Arakale Community Bank Limited	1/2/2008	57, Hospital Road,		OND		1/2/2008
Aramoko Microfinance Bank Limited	MicroFinance Bank	Aramoko Community Bank Limited	1/2/2008	Civic Centre, Aramoko Ekiti		EKI		1/2/2008
Argungu Microfinance Bank Limited	MicroFinance Bank	Argungu Community Bank Limited	1/2/2008	18, Kanta Road, Argungu		KEB		1/2/2008
Arochukwu Microfinance Bank Limited	MicroFinance Bank	Arochukwu Community Bank Limited	1/2/2008	Amaiike Square, Afor Arochukwu Market		ABI		1/2/2008
Arondizuogu Microfinance Bank Limited	MicroFinance Bank	Arondizuogu Community Bank Limited	1/2/2008	Arodizuogu, Ideato North Local Govt Area		IMO		1/2/2008
Asha Microfinance Bank Limited	MicroFinance Bank			C/o 11, Boyade Oluwole Street, Off Awolowo Way	Ikeja	LAG		8/22/2009
Aspire Microfinance Bank Limited	MicroFinance Bank		2/5/2008	No. 254, Umusadegi Road, Kwale		DEL		2/5/2008
Asset Matrix Microfinance Bank Limited	MicroFinance Bank			C/O Humphrey Adeji, 21, Ibikunle Street	Sabo-Yaba	LAG		8/22/2009
Assets Microfinance Bank Limited	MicroFinance Bank			C/O Ali-Paak Consulting, 19 Tinubu Street Square	Tinubu Square, Lagos Island	LAG		8/22/2009
Associated Investment Trust Microfinance Bank Limi	MicroFinance Bank		12/26/2007	40, Apapa Road, Oyingbo		LAG		12/26/2007
Astra Polaris Microfinance Bank Limited	MicroFinance Bank	Egba-Omi Community Bank Limited	1/2/2008	Ogunmakin Market, Ogunmakin		OGU		1/2/2008
Atlas Microfinance Bank Limited	MicroFinance Bank			Plot 1077, Cadastral Zone BO2, Old Federal	Durumi- Abuja	ABU		
Atyap Microfinance Bank	MicroFinance Bank	Atyap Community	1/2/2008	Samaru-Kataf Round-About, Kaduna State		KAD		1/2/2008

Limited	Bank	Bank Limited					
Auchi Microfinance Bank Limited	MicroFinance Bank	Auchi Community Bank Limited	1/2/2008	40, Oturu Road, Auchi		EDO	1/2/2008
Avalon Microfinance Bank Limited	MicroFinance Bank			7th Floor, Forshore Towers, Osborne Road, Ikoyi	Ikoyi	LAG	11/21/2008
Avunegbe Microfinance Bank Limited	MicroFinance Bank			No.2, jattu Road, Auchi	Auchi	EDO	
Avyi Microfinance Bank Limited	MicroFinance Bank	Avyi Community Bank Limited	1/2/2008	No. 12, Roger Road, Wukari		TAR	1/2/2008
Awe Microfinance Bank Limited	MicroFinance Bank	Awe Community Bank Limited	1/2/2008	Awe-Iwo Road, Awe		OYO	1/2/2008
Awgbu Microfinance Bank Limited	MicroFinance Bank	Awgbu Community Bank Limited	1/2/2008	Eke Awgbu Market Square, Awgbu		ANA	1/2/2008
Awka Microfinance Bank Limited	MicroFinance Bank	Awka Community Bank Limited	1/2/2008	176 A, Nnamdi Azikiwe Avenue, Awka		ANA	1/2/2008
Awka-Etiti Microfinance Bank Limited	MicroFinance Bank	Awka-Etiti Community Bank Limited	1/2/2008	KM 1-3, Nhobi Awka Etiti Road, Idemili LGA, Anambra		ANA	1/2/2008
Awkuzu Microfinance Bank Limited	MicroFinance Bank	Awkuzu Community Bank Limited	1/2/2008	P.M.B. 2, Awkuzu, Oyi LGA, Anambra State		ANA	1/2/2008
Ayete Microfinance Bank Limited	MicroFinance Bank	Ayete Community Bank Limited	1/2/2008	Ayete Postal Agency, Ayete		OYO	1/2/2008
AZSA Microfinance Bank Limited	MicroFinance Bank		12/13/2007	C/O Cousins & Co. 27, Kakawa Street,		LAG	12/13/2007
Babba Microfinance Bank Limited	MicroFinance Bank			A126, Ahmadu Bello Way, Agaie	Agaie Local Government Area	NIG	8/22/2009
Babura Microfinance Bank Limited	MicroFinance Bank	Babura Community Bank Limited	1/2/2008	Babura		JIG	1/2/2008
Bakassi Microfinance Bank Limited	MicroFinance Bank	Bakassi & Baccoco Community Banks	1/2/2008	199 Ndidem Iso Road, Opposite Parliamentary Villag		CRO	

		Limited					
Balera Microfinance Bank Limited	MicroFinance Bank	Balera Community Bank Limited	1/2/2008	No. 2, Kafanchan Road, Lere		KAD	1/2/2008
Balogun Ajikobi Microfinance Bank Limited	MicroFinance Bank	Balogun Ajikobi Community Bank Limited	1/2/2008	13, Ajikobi Street, Ilorin		KWA	1/2/2008
Balogun Fulani Microfinance Bank Limited	MicroFinance Bank	Balogun Fulani Community Bank Limited	1/2/2008	9, Balogun Fulani Road,	Ilorin	KWA	1/2/2008
Balogun Gambari Microfinance Bank Limited	MicroFinance Bank	Balogun Gambari Community Bank Limited	1/2/2008	Ojagboro, Ilorin	Ilorin	KWA	1/2/2008
Bam Microfinance Bank Limited	MicroFinance Bank		1/22/2008	Suit D77/67, Efab Mall, Ahmadu Bello Way, Area 11	Garki District, Abuja	ABU	1/22/2008
Bama Microfinance Bank Limited	MicroFinance Bank		1/2/2008	Bama Main Market, Barma LGA, Borno State		BEN	1/2/2008
Bancorp Microfinance Bank Limited	MicroFinance Bank			4/6, Mobolaji Bank Anthony Road, Marina	Marina- Lagos Island	LAG	8/22/2009
Barnawa Microfinance Bank Limited	MicroFinance Bank	Barnawa community Bank Limited	1/2/2008	Plot 3, Mozambique Road, Bamawa, Kaduna South LGA,		KAD	1/2/2008
Bauchi Investment Corporation MFB Limited	MicroFinance Bank		7/9/2007	37, Abdulkadir Ahmed Road, Bauchi	Bauchi	BAU	7/9/2007
Bawyi Microfinance Bank Limited	MicroFinance Bank			Niger		NIG	4/21/2011
Bejin-Doko Microfinance Bank Limited	MicroFinance Bank	Bejin-Doko Community Bank Limited	1/2/2008	Lavun Local Govt Area, Bida		NIG	1/2/2008
Bekwarra Microfinance	MicroFinance	Bekwarra	1/2/2008	Ogoja, Cross River State		CRO	1/2/2008

Bank Limited	Bank	Community Bank Limited						
Berachah Microfinance Bank Limited	MicroFinance Bank		9/20/2007	5A Adekunle Banjo Avenue, Ibadan			LAG	
Best Star Microfinance Bank Limited	MicroFinance Bank	Mystar Microfinance Bank Limited		Irefin Junction, Itu-Taba Oje, Ibadan	Ibadan		OYO	8/22/2009
Bestway Microfinance Bank Limited	MicroFinance Bank	Enugu-Adazi Community Bank Limited	1/2/2008	Civic Centre Complex, Adazi-Enu			ANA	1/2/2008
Bethel Microfinance Bank Limited	MicroFinance Bank	Okosisi Community Bank Limited	1/2/2008	43B, Kenyatta Street,			ENU	1/2/2008
Bethseda Microfinance Bank Limited	MicroFinance Bank			C/O Harry C. Nnadiokwe 11, Abibu Oki Street	Lagos Island		LAG	8/22/2009
BFL Microfinance Bank Limited	MicroFinance Bank		3/4/2008	Hall 1, Abuja Shopping Mall	Zone 3, Wuse		ABU	3/4/2008
Bighthana Microfinance Bank Limited	MicroFinance Bank			No.6. Ali Akilu Road, Kaduna	Kaduna		KAD	4/21/2011
Birni Microfinance Bank Limited	MicroFinance Bank	Birni Community Bank Limited	1/2/2008	Yantabirni Quarters, Zaria City			KAD	1/2/2008
BishopGate Microfinance Bank Limited	MicroFinance Bank	BishopGate Community Bank Limited	1/2/2008	39, Agege Motor Road, Moshalashi			LAG	
Biyama Microfinance Bank Limited	MicroFinance Bank	Biyama Community Bank Limited	1/2/2008	50, Mubi Road, Hong Local Govt Area			ADA	1/2/2008
Biztrust Microfinance Bank Limited	MicroFinance Bank		5/8/2006	107B, Allen Avenue, Ikeja			LAG	5/8/2006
Blue Intercontinental Microfinance Bank Limited	MicroFinance Bank			Herbert Macaulay Way, Ebute-Meta	Ebute Meta		LAG	11/21/2008
Blue Ridge Microfinance Bank Limited	MicroFinance Bank			84, Abule Nla Road, Ebute-Metta	Ebute-Metta		LAG	8/22/2009
Bmazahin Microfinance Bank Limited	MicroFinance Bank			IBB Road, Gawu - Babangida			NIG	8/22/2009

BOI Microfinance Bank Limited	MicroFinance Bank		8/29/2007	23, Marina-Lagos	Lagos Island	LAG
Boji Boji Microfinance Bank Limited	MicroFinance Bank	Boji Boji Community Bank Limited	1/2/2008	Old Abraka Road, Agbor		DEL
Boluwaduro Microfinance Bank Limited	MicroFinance Bank	Otan Ayegbaju Community Bank Limited	1/2/2008	Isale Idofin Quarters, Otan Ayegbaju		OSU
Bonded Microfinance Bank Limited	MicroFinance Bank			C/O 1, Adeniyi Street, Itire, Surulere	Itire, Surulere	LAG
Bonghe Microfinance Bank Limited	MicroFinance Bank	Numan Community Bank Limited	9/20/2007			ADA
Borgu Microfinance Bank Limited	MicroFinance Bank	Borgu Community Bank Limited	1/2/2008	Plot 191, Ibrahim Taiwo Road, New Bussa		NIG
Bosak Microfinance Bank Limited	MicroFinance Bank			Plot 8, Cocoa Industries Road, Ogba	Ogba-Ikeja	LAG
Bowen Microfinance Bank Limited	MicroFinance Bank			Baptist Academy Compound, Obanikoro, Ikorodu Road	Obanikoro	LAG
Bowman Microfinance Bank Limited	MicroFinance Bank	Ewu Tuntun Community Bank Limited	1/2/2008	1, Bode Onifade Street, Ewu-Tuntun		LAG
Brass Microfinance Bank Limited	MicroFinance Bank	Bida Community Bank Limited	1/2/2008	Zungeru Road, P.M.B. 10, Bida, Niger State		NIG
Briyth Covenant Microfinance Bank Limited	MicroFinance Bank		9/20/2007	Plot 19, Water Corporation Road, Off Ligali Ayorin		LAG
Broadview Microfinance Bank Limited	MicroFinance Bank			52, Odunlami Street, Lagos Island	Lagos Island	LAG
Brooks Microfinance Bank Limited	MicroFinance Bank	Obo-Etim Community Bank Limited	1/2/2008	81, Nwaniba Street, Uyo, Akwa Ibom State		AKW
Bukuru Microfinance Bank Limited	MicroFinance Bank	Bukuru Community Bank Limited	1/2/2008	8, Jos Road, Jos South Local Govt Area,		PLA

Bungudu Microfinance Bank Limited	MicroFinance Bank	Bungudu Community Bank Limited	1/2/2008	Ahmadu Bello Way, Bungudu	ZAM	1/2/2008
Bunkasa Microfinance Bank Limited	MicroFinance Bank		1/24/2008	7, Jos Road, Jere, Kagarko LGA	KAD	1/24/2008
Business Support Microfinance Bank Limited	MicroFinance Bank			Plot 92, Obafemi Awolowo Way, Suite B2/B3 Jabi Plz	ABU	
Busu Microfinance Bank Limited	MicroFinance Bank	Busu Community Bank Limited	1/2/2008	Busu, Via Doko, Lavun Local Govt Area	NIG	1/2/2008
CAFON Microfinance Bank Limited	MicroFinance Bank			Catholic Family of Archangel Raphael Chaplaincy	ABU	
Calabar Microfinance Bank Limited	MicroFinance Bank		1/2/2008	72 Egerton Street, Calabar, Cross River State	CRO	
Calm Microfinance Bank Limited	MicroFinance Bank		1/29/2008	45/47, Martins Street, Great Nigeria House, Lagos	LAG	1/29/2008
Capstone Microfinance Bank Limited	MicroFinance Bank			187, Igboere Road, Lagos	LAG	8/22/2009
Cardinal Rock Microfinance Bank Limited	MicroFinance Bank	Ifako-Titun Community Bank Limited	1/2/2008	83, Iju Road, Ifako Ijaiye	LAG	1/2/2008
Caretaker Microfinance Bank Limited	MicroFinance Bank	Caretaker Community Bank Limited	1/2/2008	Adebowale's House, Caretaker	OYO	1/2/2008
Cash Cow Microfinance Bank Limited	MicroFinance Bank			186A, Igboere Road, Lagos Island	LAG	11/21/2008
Castle Microfinance Bank Limited	MicroFinance Bank	Ozubulu Community Bank Limited	1/2/2008	159, Nnewi-Ozubulu Road, Ugwu-Orie	ANA	
Catland Microfinance Bank Limited	MicroFinance Bank	Ilese Community Bank Limited	9/20/2007	14, Oke-Owode Street, Ilese-Ijebu	OGU	9/20/2007
Cedar Microfinance Bank Limited	MicroFinance Bank			24, Tafa Balewa Crescent, Surulere	LAG	11/21/2008

CEDEP Microfinance Bank Limited	MicroFinance Bank	Akuyam Community Bank Limited	1/2/2008	1, Abdu-1 Mohammed Street,	BAU	1/2/2008
Chanelle Microfinance Bank Limited	MicroFinance Bank			No. 7, Oduduwa Crescent, GRA - Ikeja	LAG	11/21/2008
Chartwell Microfinance Bank Limited	MicroFinance Bank			94, Broad Street, Lagos	LAG	4/21/2011
Chelsea Microfinance Bank Limited	MicroFinance Bank			Onicha Ugbo, Asaba	DEL	6/8/2010
Chevron Employee Co-operative MFB	MicroFinance Bank			No.6, Udeko Medical Road, Off Chevron Drive	LAG	4/21/2011
Chibueze Microfinance Bank Limited	MicroFinance Bank		1/2/2008	82 Ehi/Asaba Road, Aba, Abia State	ABI	
Chidera Microfinance Bank Limited	MicroFinance Bank	Chidera Community Bank Limited	1/2/2008	39/55, Chime Avenue, New Haven	ENU	
Chigbe-Yaji Microfinance Bank Limited	MicroFinance Bank			Abuja	ABU	8/22/2009
Chikum Microfinance Bank Limited	MicroFinance Bank			Catholic Archdiocese of Owerri, Villa Assumpta	IMO	8/22/2009
Chrisore Microfinance Bank Limited	MicroFinance Bank			1, Omisore Crescent, Ile-Ife	OSU	4/21/2011
Chukwunenye Microfinance Bank Limited	MicroFinance Bank	Chukwunenye Community Bank Limited	1/2/2008	Catholic Cathedral Premises,	ANA	1/2/2008
CIT Microfinance Bank Limited	MicroFinance Bank			22, Bentley Street, Off King George V Road, Onikan	LAG	10/14/2010
Citadel Microfinance Bank Limited	MicroFinance Bank	Iganmu Community Bank Limited	1/2/2008	1, Abbi Avenue, Badagry Expressway,	LAG	1/2/2008
Citigate Microfinance Bank Limited	MicroFinance Bank	Homelink Community Bank Limited	1/2/2008	116/118 Ago Palace Way, Okota-Isolo	LAG	
Citiserve Microfinance Bank Limited	MicroFinance Bank		9/20/2007	360, Ikorodu Road, Maryland	LAG	

City Mission Methodist Microfinance Bank Limited	MicroFinance Bank				1. Alhaji Ade Thanni Street, Surulere	Surulere	LAG	8/22/2009
Civic Microfinance Bank Limited	MicroFinance Bank	Agodi Community Bank Limited	1/2/2008		Araromi Market, Agodi Gate		OYO	1/2/2008
CKC Microfinance Bank Limited	MicroFinance Bank				CKC Mile One, Diobu, Port-Harcourt	Pot-Harcourt	RIV	11/21/2008
Coalcamp Microfinance Bank Limited	MicroFinance Bank	Coalcamp Community Bank Limited	1/2/2008		29, Taylor Avenue, Coalcamp		ENU	
Coastline Microfinance Bank Limited	MicroFinance Bank	Okere Community Bank Limited	1/2/2008		1, Ekpen Road, Okere, Warri		DEL	
Coconut Avenue Microfinance Bank Limited	MicroFinance Bank	Coconut Avenue Community Bank Limited	1/2/2008		2, Tex Olawale Crescent, Coconut Bus Stop, Apapa		LAG	
Combined Benefits Microfinance Bank Limited	MicroFinance Bank	Ojodu-Abiodun Community Bank Limited	1/2/2008		2, Yakoyo Road, Ifo Local Govt Area		OGU	1/2/2008
Common Trust Microfinance Bank Limited	MicroFinance Bank				C/O Suite 26, Angels Plaza, Plot 1243	Garki II- Abuja	ABU	8/22/2009
Compass Microfinance Bank Limited	MicroFinance Bank				Plot 1, Blk 60, Road 14, Fola Osibo Estate, Lekki	Lekki	LAG	8/22/2009
Complete Trust Microfinance Bank Limited	MicroFinance Bank	Alaba Community Bank Limited	1/2/2008		5/7, Dobblin Avenue, Alaba Int'l Market		LAG	1/2/2008
Confidence Microfinance Bank Limited	MicroFinance Bank	Ijesa-Isu Community Bank Limited	1/2/2008		77, Bank Road, Ijesa-Isu Ekiti		EKI	1/2/2008
Confluence Microfinance Bank Limited	MicroFinance Bank	Lokongoma Community Bank Limited	9/20/2007		5, Ibrahim Taiwo Road		KOG	9/20/2007
Congress Microfinance Bank Limited	MicroFinance Bank				Lagos		LAG	8/22/2009

Conpro Microfinance Bank Limited	MicroFinance Bank				Blk 0116-123, Ikota Shopping Complex, VGC	Victoria Garden City, Lekki	LAG	8/22/2009
Consumer Microfinance Bank Limited	MicroFinance Bank	Wuse United Community Bank Limited	1/2/2008	AISA House, Plot 2087, Herbert Macaulay Way,	Zone 5 Wuse	ABU		1/2/2008
Convenant Microfinance Bank Limited	MicroFinance Bank	Old Umuahia Community Bank Limited	1/2/2008	Afor Ibeji Market Square Umuahia, Abia State		ABI		
Co-operative Union Microfinance Bank Limited	MicroFinance Bank			C/O Ministry of Agric & Natural Resources		DEL		8/22/2009
Coral Microfinance Bank Limited	MicroFinance Bank			Alaba Suru, Amukoko, Araromi-Ifelodun LGA,	Amukoko	LAG		8/22/2009
Corestep Microfinance Bank Limited	MicroFinance Bank			C/O Engr. Robert Dike, Okota Road, Isolo	Isolo	LAG		8/22/2009
Corporate Microfinance Bank Limited	MicroFinance Bank			1 & 2, Soetan Street, Jankara, Apapa-Ganga	Ibadan	OYO		11/21/2008
Cosmopolitan Treasure Base Microfinance Bank Ltd	MicroFinance Bank			17, Adokiye Avenue, Abuloma-Trans Amadi Axis	Port-Harcourt	RIV		7/27/2007
County Microfinance Bank Limited	MicroFinance Bank		3/19/2007	C/O Mark Monshanne; 127, Old Ojo Road, Amuwo Odofi		LAG		3/19/2007
Covenant University Microfinance Bank Limited	MicroFinance Bank	Convenant University Community Bank Limited	1/2/2008	Km 10, Idiroko Road, Canaan Land, Ota		OGU		1/2/2008
COWAN Microfinance Bank Limited	MicroFinance Bank			Ondo		OND		8/22/2009
Cowries Microfinance Bank Limited	MicroFinance Bank			House 6, Second Avenue, Festac Town		LAG		4/21/2011
Credit Express Microfinance Bank	MicroFinance Bank		9/20/2007	23/29, Abibu Oki Street, Lagos		LAG		9/20/2007

Daily Capital Microfinance Bank Limited	MicroFinance Bank				101, Borno Way, Ebute Meta	Ebute Meta	LAG
Dakingari Microfinance Bank Limited	MicroFinance Bank				Kebbi		KEB
Dambatta Microfinance Bank Limited	MicroFinance Bank	Dambatta Community Bank Limited	1/2/2008		7, Kano Road, Kofar Yamma, Dambatta		KAN
Dangizhi Microfinance Bank Limited	MicroFinance Bank				Mokwa Road, Enagi		NIG
Daniels Global Microfinance Bank Limited	MicroFinance Bank		9/20/2007		c/o No. 1, Fatima Street, Rayfield		PLA
Darazo Microfinance Bank Limited	MicroFinance Bank	Darazo Community Bank Limited	1/2/2008		Market Square, Darazo		BAU
DCFA-Universal Microfinance Bank Limited	MicroFinance Bank		11/21/2007		C/O Co-operative Shopping Centre, Olotu Road, Ughe		DEL
DEC Microfinance Bank Limited	MicroFinance Bank		2/21/2008		5, Kaduna Road, Bauchi	Bauchi	BAU
Decency Microfinance Bank Limited	MicroFinance Bank				Afor-Ibeji Market Square, Old Umuahia	Umuahia	ABI
DEC-Enugu Microfinance Bank Limited	MicroFinance Bank	Nnebuife Community Bank Limited	1/2/2008		3-5, DEC Avenue, Independent Layout, Enugu		ENU
Desmonarchy Microfinance Bank Limited	MicroFinance Bank				633, Lagos-Abeokuta Expressway, Abule Taylor Bus	Abule-Egba	LAG
Destiny Microfinance Bank Limited	MicroFinance Bank	Umuozzi Community Bank Limited	1/2/2008		1, Old Aji Road, Agrute		ENU
Dikenafai Microfinance Bank Limited	MicroFinance Bank	Dikenafai Community Bank	1/2/2008		Dikenafai Postal Agency,		IMO

		Limited					
Diobu Microfinance Bank Limited	MicroFinance Bank	Diobu Mille III Community Bank Limited	1/2/2008	15B, Bishop Barahart Street, Port-Harcourt	RIV	1/2/2008	
Dollars Microfinance Bank Limited	MicroFinance Bank		3/17/2008	c/o Dollar Pharmacy Limited, Plot 12, Julius Nyerere	ABU		
Dolphin Microfinance Bank Limited	MicroFinance Bank	Enerhen Community Bank Limited	1/2/2008	72, Enerhen Road, Udu Clan, Warri	DEL		
Dominion Microfinance Bank Limited	MicroFinance Bank	Ihembosi & Ikija CBs	1/2/2008	Eke Ihembosi, Ekwusigo Local Govt Area	ANA		
Dunamis Microfinance Bank Limited	MicroFinance Bank		10/8/2007	106 Emmanuel High Street, Ogudu GRA, Ojota, Lagos	LAG	10/8/2007	
Dutse Microfinance Bank Limited	MicroFinance Bank	Dutse Community bank Limited	1/2/2008	Main Street, Central Market, Dutse, Jigawa State	JIG	1/2/2008	
Eagle Flight Microfinance Bank Limited	MicroFinance Bank	Isiawa Community Bank	1/2/2008	129B, Ajamimogha Road, Warri	DEL		
East Gate Microfinance Bank Limited	MicroFinance Bank	Obia Community Bank Limited	1/2/2008	135, Aba-Owerri Road, Aba	ABI	1/2/2008	
Eastman Microfinance Bank Limited	MicroFinance Bank	Ekulu Community Bank Limited	1/2/2008	1, Temple Avenue, G.R.A	ENU		
e-Barclays Microfinance Bank Limited	MicroFinance Bank		2/22/2008	c/o Leverages Optimal, Plot 44 Sani Abacha Road (B	ABU	2/22/2008	
Ebedi Microfinance Bank Limited	MicroFinance Bank	Ebedi Community Bank Limited	1/2/2008	Opposite Aseyn Palace,	OYO	1/2/2008	
Ebonyi State University Microfinance Bank Limited	MicroFinance Bank			CAS Ebonyi State University, Abakaliki	EBO	4/21/2011	
Ebu Microfinance Bank Limited	MicroFinance Bank	Ebu Community Bank Limited	1/2/2008	Ekeoha / Ikah Road, Oshimili Local Govt Area	DEL	1/2/2008	
ECB Microfinance bank	MicroFinance	Ede Community	1/2/2008	3, Station Road, Ede	OSU	1/2/2008	

Limited	Bank	Bank Limited					
Echo Microfinance Bank Limited	MicroFinance Bank				2, Betty Dumbri Street, Ori-Okuta, Ikorodu	Ikorodu	LAG
Eden Microfinance Bank Limited	MicroFinance Bank	Aiyegunle Community Bank Limited	1/2/2008		Suite 3C, Prince's Court, Ahmed Onibudo		LAG
Edet Microfinance Bank Limited	MicroFinance Bank		1/2/2008		Edet Ukpom Market Square, Ukpom Local Government A		AKW
Edo Microfinance Bank Limited	MicroFinance Bank	Ugbowo & Urhonigbe CBs	1/2/2008		248, Ugbowo-Lagos Road, Egor Local Govt Area		EDO
EDS Microfinance Bank Limited	MicroFinance Bank				30B, Babs Animashaun Road, Surulere	Surulere	LAG
Eduiek Microfinance Bank Limited	MicroFinance Bank	Eduiek Community Bank Limited	1/2/2008		Winmos House, 202 Abak Road		AKW
Egbe Microfinance Bank Limited	MicroFinance Bank	Egbe Community Bank Limited	1/2/2008		Ilorin - Kabba Federal Road, Egbe		KOG
Egosal Microfinance Bank Limited	MicroFinance Bank	Okemini Community Bank Limited	1/2/2008		No. 125, Market Road, Aba		ABI
Ehor Microfinance Bank Limited	MicroFinance Bank	Ehor Community Bank Limited	1/2/2008		7, Royal Street, Ehor		EDO
Ejiamatu Microfinance Bank Ltd	MicroFinance Bank				Oye Market Square, Mmili John Road, Ojoto Bypass	Idemili South LGA	ANA
Ekimogun Microfinance Bank Limited	MicroFinance Bank	Ekimogun Community Bank Limited	1/2/2008		2, Ifore Street, Ondo		OND
Ekondo Microfinance Bank Limited	MicroFinance Bank	Ekondo Community Bank Limited	1/2/2008		9, Chamley Street, Calabar		CRO
Ekuombe Microfinance Bank Limited	MicroFinance Bank	Ilaro Community Bank Limited	1/2/2008		2, Community Bank Road,		OGU
Ekwulobia Microfinance Bank Limited	MicroFinance Bank		1/2/2008		1, Mission Road, Ekwulobia, P.M.B. 24, Aguata, Ekw		ANA
Elim Microfinance Bank	MicroFinance Bank		9/20/2007		C/o Lagos Presbyterian Church,		LAG

Limited	Bank						
Endwell Microfinance Bank Limited	MicroFinance Bank				NUT Endwell Shopping Plaza, No.3 Shiroro Road	Tunga-Minna	NIG
Enterprise Microfinance Bank Limited	MicroFinance Bank				119, Ipaja Road, Near Pen Cinema	Agege	LAG
Enugu-Ukwu Microfinance Bank Limited	MicroFinance Bank			1/2/2008	Enugu-Ukwu Civic Centre, Enugu-Ukwu, Anambra State		ANA
Enugwu Ukwu Microfinance Bank Limited	MicroFinance Bank			1/2/2008	No. 108, Sapele Road,		EDO
Equator Microfinance Bank Limited	MicroFinance Bank			3/17/2008	c/o 154, Ade Odedina Street, Victoria Island		LAG
Equinox Microfinance Bank Limited	MicroFinance Bank			1/2/2008	P.O.Box 20, Umuchu, Aguata LGA, Anambra State		ANA
Ere City Microfinance Bank Limited	MicroFinance Bank				Beside Ere City Town Hall, Ere-Ijesha		OSU
Eruwon Microfinance Bank Limited	MicroFinance Bank			1/2/2008	21, Church Street, Eruwon, Ijebu-Ode		OGU
Esan Microfinance Bank Limited	MicroFinance Bank			1/2/2008	Central Road, Ubiaja		EDO
Eso-E Microfinance Bank Limited	MicroFinance Bank			1/2/2008	224, Akarigbo Street, Sabo Sagamu		OGU
Essence Microfinance Bank Limited	MicroFinance Bank				Chief S.A. Memorial Building Complex, Ikole Road	Itapa-Ekiti	EKI
Estate Microfinance Bank Limited	MicroFinance Bank			1/2/2008	31/311 Road, Gowon Estate, Ipaja		LAG
Ethics Microfinance Bank Limited	MicroFinance Bank				48, Afariogun Street, Off Airport Road, Oshodi	Oshodi	LAG
Everest Microfinance Bank Limited	MicroFinance Bank			1/2/2008	7, Park Road, Off Nkwo Main Market, Nnewi Anambra		ANA

EWT Microfinance Bank Limited	MicroFinance Bank		1/2/2008	34 Blantyre Street, Wuse 2, Abuja	ABU	1/2/2008
Excel Microfinance Bank Limited	MicroFinance Bank	Eruwa Community Bank Limited	1/2/2008	Hospital Road, Sango Eruwa	OYO	1/2/2008
Excellent Microfinance Bank Limited	MicroFinance Bank			No. 2, Ezekwesili Street	BEN	11/21/2008
Express Microfinance Bank Limited	MicroFinance Bank	Ekeoha Microfinance Bank Limited	1/2/2008	120, Clifford Street, Aba, Abia State	ABI	1/2/2008
Ezebo Microfinance Bank Limited	MicroFinance Bank	Umudioka Community Bank Limited	1/2/2008	Afor Igwe Umudioka,	ANA	1/2/2008
Fadan Chawai Microfinance Bank Limited	MicroFinance Bank	Fadan Chawai Community Bank Limited	1/2/2008	No. 8B, Kagoro Road, Kafanchan	KAD	1/2/2008
Fahimta Microfinance Bank Limited	MicroFinance Bank	Fahimta Community Bank Limited	1/2/2008	Muhammadu Buhari Way,	KAD	1/2/2008
Faith Microfinance Bank Limited	MicroFinance Bank	Agbeni-Ogunpa CB & Olode CB	1/2/2008	38, Bola Road, Agbokojo, Off Agbeni Market	OYO	1/2/2008
Fame Microfinance Bank Limited	MicroFinance Bank			3, Constitution Crescent, Aba	ABI	4/21/2011
FBN Microfinance Bank Limited	MicroFinance Bank		2/27/2008	c/o 35, Marina	LAG	
FCE Obudu Microfinance Bank Limited	MicroFinance Bank	EFCEE Community Bank Limited	1/2/2008	Federal College of Education,	CRO	1/2/2008
FEDETH Co-op Microfinance Bank Limited	MicroFinance Bank		4/21/2008	Federal Secretariat Phase 1, Rm 5B 022, Annex III	ABU	4/21/2008
FEDPOLY Microfinance Bank Limited	MicroFinance Bank			Federal Polytechnic Nasarawa	NAS	8/22/2009
Fidfund Microfinance Bank Limited	MicroFinance Bank			Suite BS 129, Old Banex Plaza, Wuse II	ABU	8/22/2009

Fieldreams Microfinance Bank Limited	MicroFinance Bank		3/17/2008	22, Akerigbere Street, Off Idejo Street,	LAG	3/17/2008
FIMS Microfinance Bank Limited	MicroFinance Bank			City Plaza, 2nd Floor, Plot 596, Ahmadu Bello Way	ABU	4/21/2011
Finatrust Microfinance Bank Limited	MicroFinance Bank			46, Toyin Street, Ikeja	LAG	8/22/2009
Finex Microfinance Bank Limited	MicroFinance Bank		2/18/2008	c/o FESL, 22nd Floor Stock Exchange Building, Mari	LAG	2/18/2008
Finmal Microfinance Bank Limited	MicroFinance Bank			C/O Rotimi Ajayi & Co., Suite 104, Anbeez Plaza	ABU	8/22/2009
First Choice Microfinance Bank Limited	MicroFinance Bank		10/23/2007	C/O Femi Deru, 1, Femi Deru Close, Ikeja	LAG	10/23/2007
First Credit Microfinance Bank Limited	MicroFinance Bank			Suite 4, E-Bar Plaza, 20, Admiralty Way, Lekki	LAG	4/21/2011
First Global Microfinance Bank Limited	MicroFinance Bank	First Global Microfinance Bank Limited	2/1/2007	20, Rumuola Road, Luli Mall Plaza, Port Harcourt	RIV	
First Golden Mercury Microfinance Bank Limited	MicroFinance Bank			12, Fajuyi Road, Ile-Ife, Ife Central LGA	OSU	8/22/2009
First Herital Microfinance Bank Limited	MicroFinance Bank	Alapere-Agboyi Community Bank Limited	1/2/2008	7, Oluwakemi Street, Alapere Ketu	LAG	1/2/2008

First Ideal Microfinance Bank Limited	MicroFinance Bank				13, Alao Street, Ajao Estate, Isoloe	Isolo	LAG	8/22/2009
First Index Microfinance Bank Limited	MicroFinance Bank	Challenge Community Bank Limited	1/2/2008		27, Annex Adelabu Shopping Complex		OYO	1/2/2008
First Lowland Microfinance Bank Limited	MicroFinance Bank				Mabudi, Langtang South Local Govt Area		PLA	9/23/2008
First Mutual Microfinance Bank Limited	MicroFinance Bank				No. 38, Gana Street, Maitama District	Maitama	ABU	
First Option Microfinance Bank Limited	MicroFinance Bank				42, Kogberegbe Street, Opp. Isolo Gen. Hospital	Isolo	LAG	4/21/2011
First Royal Microfinance Bank Limited	MicroFinance Bank	Mbukpa Area Community Bank Limited	9/20/2007		12, Chalmer Street, Calabar		CRO	
Fiyinfolu Microfinance Bank Limited	MicroFinance Bank	Fiyinfolu Community Bank Limited	1/2/2008		1, Emmanuel High Street,		LAG	1/2/2008
Flourish Microfinance Bank Limited	MicroFinance Bank		2/7/2008		12, Issa Williams Street, Oke Arin		LAG	
Foresight Microfinance Bank Limited	MicroFinance Bank				45, Opeilu Road, Agbado Station		OGU	
Fortis Microfinance Bank Limited	MicroFinance Bank		10/4/2007		Plot 2388 Herbert Macaulay Way (North), Wuse Zone		ABU	10/4/2007
Fortress Microfinance Bank Limited	MicroFinance Bank		11/26/2007		6, Babalola Gardens, Lekki Phase I, Lekki		LAG	11/26/2007
Forward Microfinance Bank Limited	MicroFinance Bank				5, O'Connor Street, Onitsha	Onitsha	ANA	11/21/2008
Freedom (Lagos) Microfinance Bank Limited	MicroFinance Bank				445, Agege Motor Road, Bolade, Oshodi	Oshodi-Lagos	LAG	8/22/2009
Frontline Microfinance Bank Limited	MicroFinance Bank	Ezinifite Community Bank Limited	1/2/2008		Ezinifite, Nnewi South Local Govt Area,		ANA	1/2/2008

Fufure Microfinance Bank Limited	MicroFinance Bank	Fufure Community Bank Limited	1/2/2008	25, Gurin Road, Funfore, Adamawa State	ADA	1/2/2008
Funds Matrix Microfinance Bank Limited	MicroFinance Bank			38, Sunmola Street, Mende, Maryland	LAG	4/21/2011
FUT Minna Microfinance Bank Limited	MicroFinance Bank			Federal University of Technology Campus, Minna	NIG	4/21/2011
FUTO Microfinance Bank Limited	MicroFinance Bank	FUTO Community Bank Limited	1/2/2008	Federal University of Technology,	IMO	1/2/2008
Future Growth Microfinance Bank Limited	MicroFinance Bank		5/2/2007	c/o Suite 26, Angels Plaza, Ladoke Akintola Boule	ABU	5/2/2007
Gaa Akanbi Microfinance Bank Limited	MicroFinance Bank	Gaa Akanbi; Oke Oyi & Kulende CBs	1/2/2008	Bola Saadu House, 10, Ahmadu Bello Way	KWA	1/2/2008
Gains Microfinance Bank Limited	MicroFinance Bank	Dekina Community Bank Limited	1/2/2008	129, Lokoja Road, Dekina	KOG	1/2/2008
Gamawa Microfinance Bank Limited	MicroFinance Bank	Gamawa Community Bank Limited	1/2/2008	Near Central Primary School, Gamawa	BAU	1/2/2008
Gapbridge Microfinance Bank Limited	MicroFinance Bank		9/24/2007	15A Oko-Awo Street, Off Adetokunbo Ademola Street,	LAG	9/24/2007
Garden City Microfinance Bank Limited	MicroFinance Bank	Winmos CB & Garden City CB	1/2/2008	54, Mbonu Street, D-Line	RIV	1/2/2008
Garewa Microfinance Bank Limited	MicroFinance Bank	Garewa Community Bank Limited	1/2/2008	Farkari, Katsina State	KAT	1/2/2008
Garki Microfinance Bank Limited	MicroFinance Bank	NCWS Community Bank Limited	1/2/2008	Plot 559C, Area 11, Garki, Abuja	ABU	1/2/2008
Garu Microfinance bank Limited	MicroFinance Bank	Garu Community Bank Limited	1/2/2008	Off Emir Road Drive, Ilalah Street, Bauchi	BAU	1/2/2008
Gashua Microfinance Bank Limited	MicroFinance Bank	Gashua Community Bank Limited	1/2/2008	Gashua, Bade Local Govt Area,	YOB	1/2/2008
Gbade Microfinance Bank	MicroFinance			Kabba-Ilorin Road,	KOG	8/22/2009

Limited	Bank				Ayetoro Gbede	Gbede		
Gboko Microfinance Bank Limited	MicroFinance Bank	Mbayion Community Bank Limited	1/2/2008	1/2/2008	J.T.T. House, 40, J.S. Tarka Way, Gboko		BEN	1/2/2008
Gidauniya Alheri MFB Limited	MicroFinance Bank		2/7/2007	2/7/2007	50, Aminu Kano Way, Kano		KAN	2/7/2007
Gideon Trust Microfinance Bank Limited	MicroFinance Bank	Aguda Community Bank Limited	1/2/2008	1/2/2008	6, Soloki Street, Aguda		LAG	1/2/2008
Girei Microfinance Bank Limited	MicroFinance Bank	Girei Community Bank Limited	1/2/2008	1/2/2008	Along Girei-Mubi Road Market, P.A. Girei, Adamawa		ADA	1/2/2008
Giwa Microfinance Bank Limited	MicroFinance Bank	Giwa Community Bank Limited	1/2/2008	1/2/2008	No. 2, Galadima Salmanu Road,		KAD	1/2/2008
Global Heritage Microfinance Bank Limited	MicroFinance Bank	Atiba Iyalamu Community Bank Limited	1/2/2008	1/2/2008	156, Ibrahim Taiwo Road		KWA	1/2/2008
Global Initiative Microfinance Bank Limited	MicroFinance Bank				88, Awolowo Road, South-West Ikoyi	Ikoyi	LAG	8/22/2009
Global Trust Microfinance Bank Limited	MicroFinance Bank				C/O 5, Anthony Ukpo Crescent, Zone A	Apo	ABU	8/22/2009
Glory Microfinance Bank Limited	MicroFinance Bank	Ijegun Community Bank Limited	1/2/2008	1/2/2008	Plot 295, Ijegun-Ikotun Road, Ijegun		LAG	1/2/2008
Gobarau Microfinance Bank Limited	MicroFinance Bank		5/15/2008	5/15/2008	35, Madawaki Way, katsina	Katsina	KAT	5/15/2008
Gold Microfinance Bank Limited	MicroFinance Bank	Gold (NISTECH) Community Bank Limited	1/2/2008	1/2/2008	Block C, Suite 1 & 2, Local Airport Office Complex		LAG	1/2/2008
Gold Package Microfinance Bank Limited	MicroFinance Bank				5, Omoba Street, Off Union Bank Road, Ughelli		DEL	4/21/2011

Golden Choice Microfinance Bank Limited	MicroFinance Bank		12/13/2007	C/O De-Ben Petroleum Filling Station, Onne/Wharf R		RIV	12/13/2007
Golden Crescent Microfinance Bank Limited	MicroFinance Bank	Mefoworade Community Bank Limited	1/2/2008	12, Fajuyi Road, Ile-Ife, Ife Central Local Govt A		OSU	1/2/2008
Golden Funds Microfinance Bank Limited	MicroFinance Bank	Umueze Community Bank Limited	1/2/2008	2, Red Cross Way, Ogbete		ENU	1/2/2008
Goldman Microfinance Bank Limited	MicroFinance Bank			3B, Ezenei Avenue, Asaba	Asaba	DEL	8/22/2009
Gombe Microfinance Bank Limited	MicroFinance Bank	Gombe United Community Bank Limited	1/2/2008	BOC 54, Biu Road, Gombe State		GOM	1/2/2008
Good Neighbors Microfinance Bank Limited	MicroFinance Bank		3/6/2008	40, Saka Tinubu Street, Victoria Island		LAG	3/6/2008
Gracefield Microfinance Bank Limited	MicroFinance Bank			Bukuru, Jos South Local Government Area	Bukuru-Jos	PLA	8/22/2009
Grand Fortress Microfinance Bank Limited	MicroFinance Bank	Podo / Odo Ona Elewe CBs	1/2/2008	Plot 10, Opp. Motor Park, Old Lagos Road, New Gara		OYO	1/2/2008
Grants Microfinance Bank Limited	MicroFinance Bank	Gwagwalada Community Bank Limited	1/2/2008	Plot 224, Phase 2, Specialist Hospital Road, Gwagw		ABU	1/2/2008
Grassroot Microfinance Bank Limited	MicroFinance Bank			280, Maiduguri Road, Kano	Kano Metropolis	KAN	
Green Acres Microfinance Bank Limited	MicroFinance Bank			7, Laula Ibrahim Street, Akoka-Bariga	Akoka-Bariga	LAG	11/21/2008

Green-Bank Microfinance Bank Limited	MicroFinance Bank				68, Abakaliki Road, Enugu	Enugu	ENU	8/22/2009
Greenfield Lagos Microfinance Bank Limited	MicroFinance Bank			11/19/2007	497, Ikorodu Road, Ketu		LAG	11/19/2007
Greenfield Microfinance Bank Limited	MicroFinance Bank	Gwarimpa Community Bank Limited		1/2/2008	Gwarimpa		ABU	1/2/2008
Greenland Microfinance Bank Limited	MicroFinance Bank	Akatta Community Bank Limited		1/2/2008	Afor Market Square, Akatta21, Orlu Road, Amaigbo,		IMO	1/2/2008
GS Microfinance Bank Limited	MicroFinance Bank			10/8/2007	C/O Unit 219, All Seasons Place, 74, Isheri Road,		LAG	10/8/2007
GTI Microfinance Bank Limited	MicroFinance Bank			2/5/2008	C/O GTI Capital Limited, Lagos		LAG	2/5/2008
Guddiri Microfinance Bank Limited	MicroFinance Bank			1/22/2008	No. 40, Old Kano Road, Azare	Azare	BAU	1/22/2008
Gufax Microfinance Bank Limited	MicroFinance Bank			3/6/2008	c/o Suite 26, Angels Plaza, Plot 1243, Ladoke Akin		ABU	3/6/2008
Gulfare Microfinance Bank Limited	MicroFinance Bank				Yauri-Zuru Road, Opp. Rijau LG Secretariat, Rijau	Rijau	NIG	6/28/2010
Gusau Microfinance Bank Limited	MicroFinance Bank	Gusau Community Bank Limited		1/2/2008	Opposite Main NEPA Office		ZAM	1/2/2008
Gwadabawa Microfinance bank Limited	MicroFinance Bank	Gwadabawa Community Bank Limited		1/2/2008	Illella Road, BakinKasuwa, Gwadabawa,		SOK	1/2/2008
Gwong Microfinance Bank Limited	MicroFinance Bank	Gwong Community Bank Limited		1/2/2008	Off Kafanchan Road, Fadan Kogoma		KAD	1/2/2008

Gworok Microfinance Bank Limited	MicroFinance Bank	Gworok Community Bank Limited	1/2/2008	Along Kaduna/Kafanchan Road, Fadan Kagoro, Kaura L	KAD	1/2/2008
Hallowed Microfinance Bank Limited	MicroFinance Bank	Nkwo Market Community Bank Limited	1/2/2008	Praise Plaza, Agbo-Edo Market, By New Motor Park,	ANA	1/2/2008
Halmond Microfinance Bank Limited	MicroFinance Bank			Suites 139/46, Ikota Shopping Complex, VGC, Ajah	LAG	11/21/2008
Hamda Microfinance Bank Limited	MicroFinance Bank	Hamda Community Bank Limited	1/2/2008	Opposite Ginger Market, Dura Kafanchan Road, Kwoi,	KAD	1/2/2008
Hamdala Microfinance Bank Limited	MicroFinance Bank	Hamdala Community Bank Limited	1/2/2008	No. 1 Sarkin Yaki Road, Tundun Wada, Makarfi	KAD	1/2/2008
Happy Note Microfinance Bank Limited	MicroFinance Bank			Plot 11/12, Neighborhood Centre, Phase II, Lugbe	ABU	4/21/2011
Harmony Microfinance Bank Limited	MicroFinance Bank		10/8/2007	No. 18, King George V. Road, Onikan	LAG	10/8/2007
Harvest Microfinance Bank Limited	MicroFinance Bank	Ido Community Bank Limited	1/2/2008	Olujudo Road, Ido-Ekiti	EKI	1/2/2008
Hasal Microfinance Bank Limited	MicroFinance Bank			Plot 2015, Herbert Macaulay Way, Wuse Zone 6	ABU	
Haven Microfinance Bank Limited	MicroFinance Bank		12/18/2007	51/53, Kudirat Abiola Way, Ikeja	LAG	12/18/2007
Havilah Microfinance Bank Limited	MicroFinance Bank	Odofin Community Bank Limited	1/2/2008	47, Old Ojo Road, Badagry Expressway	LAG	1/2/2008
Headstone Microfinance Bank Limited	MicroFinance Bank			7, Adesanya Street, Akute	OGU	4/21/2011
Hebron Microfinance Bank Limited	MicroFinance Bank	FABB Community Bank Limited	1/2/2008	Mafa House, 4, Fola Agoro Street, Somolu	LAG	1/2/2008
Hedgeworth	MicroFinance			Gouba Plaza, Suite	ABU	

Microfinance Bank Limited	Bank				B06/C06, 1st/2nd Floor	District	
Heritage Microfinance Bank Limited	MicroFinance Bank				Opposite C.C.C., Oro-Ago, Ifelodun LGA	Oro-Ago	KWA
High Street Microfinance Bank Limited	MicroFinance Bank			1/2/2008	1, Okesalu Street, Ikotun	Ikotun	LAG
Hinache Microfinance bank Limited	MicroFinance Bank			1/2/2008	53, Funtua/ Yashe Road, Malunfashi, Katsina State	KAT	1/2/2008
Hitech Microfinance Bank Limited	MicroFinance Bank				44A, Forces Road, Onikan	Onikan	LAG
Honey Microfinance Bank Limited	MicroFinance Bank			1/2/2008	8, Furendano Street, Ikija-Ijebu	OGU	1/2/2008
Hybrid Microfinance Bank Limited	MicroFinance Bank			8/10/2007			LAG
I.C. Microfinance Bank Limited	MicroFinance Bank			1/2/2008	107, Ogunlana Drive		LAG
Iba Microfinance Bank Limited	MicroFinance Bank			1/2/2008	3, Palace Way, Iba		OSU
Ibeto Microfinance Bank Limited	MicroFinance Bank			1/2/2008	The Ancestors House, 57 Onitsha Road, Nnewi, Anamb		ANA
Ibogun Microfinance Bank Limited	MicroFinance Bank				C/O Consultant, 7th Floor; 6 Broad Street, Lagos	Lagos Island	LAG
Ibokwe Microfinance Bank Limited	MicroFinance Bank				275, Nnebisi Road, Asaba	Asaba	DEL
Ibolo Microfinance Bank Limited	MicroFinance Bank			1/2/2008	86, Olofa Way, Offa		KWA
Ibu-Aje Microfinance Bank Limited	MicroFinance Bank			1/2/2008	10, Obafemi Awolowo Way		OSU
ICB Microfinance Bank Limited	MicroFinance Bank			1/2/2008	Illah-Asaba Road, Oshimili North Local Govt Area,		DEL

IC-Global Microfinance Bank Limited	MicroFinance Bank	Isoko, Ndokwa & African CBs	1/2/2008	No.1, Ibrahim Kefas Road, Okpohro Junction, Oleh	DEL	1/2/2008
Ichi Microfinance Bank Limited	MicroFinance Bank	Ichi Community Bank Limited	1/2/2008	KM 6, Onitsha Okigwe Road, Ichi, Ekwusigo LGA, Ana	ANA	
Idah Microfinance Bank Limited	MicroFinance Bank	Idah Community Bank Limited	1/2/2008	19, Peter Achimugu Street, Idah, Kogi State	KOG	1/2/2008
Ideato-South Microfinance Bank Limited	MicroFinance Bank	Ideato-South Community Bank Limited	1/2/2008	C/O Mrs Nkiru Ekekwe, St. Joseph's Catholic Church	DEL	1/2/2008
Idemili Microfinance Bank Limited	MicroFinance Bank	Nnobi Community Bank Limited	1/2/2008	1, Agulu Road, P.O.Box 24, Nnobi Idemili LGA, Anam	ANA	1/2/2008
Idese Microfinance Bank Limited	MicroFinance Bank	Araromi-Oja Oba Community Bank Limited	1/2/2008	422, Ejigbo Road, Odo Ori, Iwo	OSU	1/2/2008
Idumuje Microfinance Bank Limited	MicroFinance Bank	Idumuje Community Bank Limited	1/2/2008	Abuano Square, Idumuje Ugboko, Anicha North Local	DEL	1/2/2008
Ifeanyichukwu Microfinance Bank Limited	MicroFinance Bank			51A, Ikorodu Road, Fadeyi, Lagos	LAG	8/22/2009
Ifedapo Microfinance Bank Limited	MicroFinance Bank	Ifedapo Community Bank Limited	1/2/2008	Ajegunle-Sango Road, Saki	OYO	1/2/2008
Ifelodun Microfinance Bank Limited	MicroFinance Bank	Ifelodun Community Bank Limited	1/2/2008	Charity Club House, Oke-Afo Street, Ikirun	OSU	1/2/2008
Igangan Microfinance Bank Limited	MicroFinance Bank	Igangan & tapa CBs	1/2/2008	No. 1, Community Bank Road, Isale Akao Igangan, Ib	OYO	1/2/2008
Igbo-Ora Microfinance Bank Limited	MicroFinance Bank	Igbo-Ora Community Bank Limited	1/2/2008	Asalu Compound, Igberekodo, Igbo Ora	OND	1/2/2008
Igbo-Ukwu Microfinance Bank Limited	MicroFinance Bank	Igbo-Ukwu Community Bank	1/2/2008	P.O.Box 370, Igbo-Ukwu, Agata Local Government Are	ANA	1/2/2008

Ighomo Microfinance Bank Limited	MicroFinance Bank	Limited	1/2/2008	7, Akpakpava Road,	EDO	1/2/2008
Ihechiowa Microfinance Bank Limited	MicroFinance Bank	Ihechiowa Community Bank Limited	1/2/2008	Civic Centre, Umuye, Ihechioma Arochukwu Local Gov	ABI	1/2/2008
Ihiala Microfinance Bank limited	MicroFinance Bank	Ihiala Community Bank Limited	1/2/2008	Bank House, Orlu Road, Ihiala Local Government Are	ANA	1/2/2008
Ihima Microfinance Bank Limited	MicroFinance Bank	Ihima Community Bank Limited	1/2/2008	118, Lagos Road, Ihima	KOG	1/2/2008
Ihioma Microfinance Bank Limited	MicroFinance Bank	Ihioma Community Bank Limited	1/2/2008	245, Ihioma Road, Orlu	IMO	1/2/2008
Ijare Microfinance Bank Limited	MicroFinance Bank	Ijare Community Bank Limited	1/2/2008	34, Obasola Street, Ijare	OND	1/2/2008
Ijebu Ife Microfinance Bank Limited	MicroFinance Bank	Ijebu-Ife Community Bank Limited	1/2/2008	165, Ajalorun Street, Ijebu-East Local Govt Area	OGU	1/2/2008
Ijebu-Imusin Microfinance Bank Limited	MicroFinance Bank	Ijebu-Imusin Community Bank Limited	1/2/2008	Ola, Ijebu-Imusin, Ijebu East	OGU	1/2/2008
Ijesa Isu Confidence Microfinance Bank Limited	MicroFinance Bank			77, Bank Road, Ijesa-Isu Ekiti	EKI	8/22/2009
Ijomu-Oro Microfinance Bank Limited	MicroFinance Bank	Ijomu-Oro Community Bank Limited	1/2/2008	Opposite the Town's Market, Ijomu-Oro	KWA	1/2/2008
Ikenne Microfinance Bank Limited	MicroFinance Bank	Ikenne Community Bank Limited	1/2/2008	Tai Solarin Way, Ikenne Remo, Ikenne Ekiti Local G	OGU	1/2/2008
Ikire Microfinance Bank Limited	MicroFinance Bank	Ikire Community Bank Limited	1/2/2008	133, Olorisa Oko, Ikire	OSU	1/2/2008
Ikole Ekiti Microfinance Bank Limited	MicroFinance Bank	Ikole Ekiti Community Bank	1/2/2008	Oba Adeleye Road, Ikole Ekiti	EKI	1/2/2008

Ikorodu Division Microfinance Bank Limited	MicroFinance Bank	Limited	Ikorodu Division Community Bank Limited	1/2/2008	102, Sagamu Road, Ikorodu	LAG	1/2/2008
Ikoyi-Ile Microfinance Bank Limited	MicroFinance Bank	Ikoyi-Ile Community Bank Limited	Ikoyi-Ile Community Bank Limited	1/2/2008	Shehu Hannafi House, Igbeti Road Orire Local Govt	OYO	1/2/2008
Ikoyi-Osun Microfinance Bank Limited	MicroFinance Bank	Ikoyi-Osun Community Bank Limited	Ikoyi-Osun Community Bank Limited	1/2/2008	30, Ibadan Road, Oju-Oja,	OSU	1/2/2008
Ikpe-Annang Microfinance Bank Limited	MicroFinance Bank	Ikpe-Annang Community Bank Limited	Ikpe-Annang Community Bank Limited	1/2/2008	Ikpe Annang Essien, Udim Local Govt Area	AKW	1/2/2008
Ilaro Polytechnic Microfinance Bank Limited	MicroFinance Bank	Ilaro Poly Community Bank Limited	Ilaro Poly Community Bank Limited	1/2/2008	Audit Building, East Campus Federal Polytechnic, I	OGU	1/2/2008
Ile-Oluji Microfinance Bank Limited	MicroFinance Bank	Ile-Oluji Community Bank Limited	Ile-Oluji Community Bank Limited	1/2/2008	3, Iparaku Street, Oke-Aro, Ile-Oluji	OND	1/2/2008
Ilisan Microfinance Bank Limited	MicroFinance Bank	Ilisan Community Bank Limited	Ilisan Community Bank Limited	1/2/2008	30, Olofin Street, Ilisan-Remo	OGU	1/2/2008
Ilobu Microfinance Bank Limited	MicroFinance Bank	Ilobu Community Bank Limited	Ilobu Community Bank Limited	1/2/2008	Osogbo Road, Ilobu	OSU	1/2/2008
Iloffa Microfinance Bank Limited	MicroFinance Bank	Iloffa Community Bank Limited	Iloffa Community Bank Limited	1/2/2008	Ilorin/Lokoja Federal Highway, Iloffa Oke-Ero Loca	KWA	1/2/2008
Iloro Microfinance Bank Limited	MicroFinance Bank	Iloro Community Bank Limited	Iloro Community Bank Limited	1/2/2008	Akibo Market, Oja-Isale, Ilora, Oyo	OYO	1/2/2008
Ilorin Microfinance Bank Limited	MicroFinance Bank	Ilorin Community Bank Limited	Ilorin Community Bank Limited	1/2/2008	Exit Gate of Baboko Market, Along Kuntu Street, O	KWA	1/2/2008

Ilu Tuntun-Osoro Microfinance Bank Limited	MicroFinance Bank	Ilu Tuntun Osoro Community Bank Limited	1/2/2008	Bank House, Broad Street, Ilu Tuntun-Osoro	OND	1/2/2008
Iludun Oro Microfinance Bank Limited	MicroFinance Bank	Iludun Oro Community Bank Limited	1/2/2008	Iludun-Oro, Kwara State	KWA	1/2/2008
IMAD Microfinance Bank Limited	MicroFinance Bank			Plot 251, Millenium Builders Plaza,	ABU	
Imani Microfinance Bank Limited	MicroFinance Bank	Imani Community Bank Limited	1/2/2008	Zuru-Rikoto, Zuru	KEB	1/2/2008
Imodi-Imosan Microfinance Bank Limited	MicroFinance Bank	Imodi-Imosan Community Bank Limited	1/2/2008	19, Market Square, Imodi-Ijebu	OGU	1/2/2008
Imowo Microfinance Bank Limited	MicroFinance Bank	Imowo Community Bank Limited	1/2/2008	51A, Ibadan Road, Ijebu Ode	OGU	1/2/2008
IMSU Microfinance Bank Limited	MicroFinance Bank	IMSU Community Bank Limited	1/2/2008	Imo State University Owerri	IMO	1/2/2008
IMT Microfinance Bank Limited	MicroFinance Bank			Independence Layout, Enugu	ENU	4/21/2011
Infinity Microfinance Bank Limited	MicroFinance Bank	Infinity Community Bank Limited	1/2/2008	4, Demurin Street, Ketu, P.O.Box 8293, Somolu, Lag	LAG	1/2/2008
Ini Microfinance Bank Limited	MicroFinance Bank	Ini Community Bank Limited	1/2/2008	4, Market Road, Nkan Ini Local Government Area, Ak	AKW	1/2/2008
Inri Microfinance Bank Limited	MicroFinance Bank			C/O 653, TOS Benson Crescent, Off Okonjo Iweala	ABU	8/22/2009
Insight Microfinance Bank Limited	MicroFinance Bank	Ijebu-Ijesha Community Bank Limited		A80, Oke Oja street, Ijebu-Ijesha	OSU	8/22/2009
Interglobal Microfinance Bank Limited	MicroFinance Bank			C/O Sunfonnia, 82, Isheri Road, Opp Grammar School	LAG	8/22/2009

Interland Microfinance Bank Limited	MicroFinance Bank	Iligun-Ijebu Community Bank Limited	1/2/2008	Atan, Ilugun-Alaro, Ijebu North-East LGA Ijebu-Ode	OGU	1/2/2008
IOC Microfinance Bank Limited	MicroFinance Bank	Isale Oyo Community Bank Limited	1/2/2008	Sabo Market, Isale Oyo, Oyo	OYO	1/2/2008
Ipapo Microfinance Bank Limited	MicroFinance Bank	Ipapo Community Bank Limited	1/2/2008	Co-operative House, Market Square	OYO	1/2/2008
Iperu Microfinance Bank Limited	MicroFinance Bank	Iperu Community Bank Limited	1/2/2008	94, Akesan Road, Iperu Remo	OGU	1/2/2008
IPMAN Satellite Microfinance Bank Limited	MicroFinance Bank		4/9/2007	3, Alhaji Sunmonu Street, Opp. NNPC Depot, Ejigbo	LAG	4/9/2007
Ipodo-Ikeja Microfinance Bank Limited	MicroFinance Bank	Ipodo Community Bank Limited	1/2/2008	46, Obafemi Awolowo Way,	LAG	1/2/2008
Irele Microfinance Bank Limited	MicroFinance Bank			45, Olofun Street, Irele LGA, Ode-Irele	OND	11/21/2008
Irolu-Remo Microfinance Bank Limited	MicroFinance Bank	Irolu-Remo Community Bank Limited	1/2/2008	Ijesha Ijebu Road, Irolu-Remo	OGU	1/2/2008
Iseri Microfinance Bank Limited	MicroFinance Bank	Iseri Community Bank Limited	1/2/2008	32, Ajegunle Street, Iseri	LAG	1/2/2008
Ishiagu Microfinance Bank Limited	MicroFinance Bank	Ishiagu Community Bank Limited	1/2/2008	Ivo Local Govt Area	EBO	1/2/2008
Ishie Microfinance Bank Limited	MicroFinance Bank	Ishie Community Bank Limited	1/2/2008	165, Odukpani Road, Ishie Town	CRO	1/2/2008
Island Microfinance Bank Limited	MicroFinance Bank	Island Community Bank Limited	1/2/2008	33, Moloney Street, Obalende	LAG	1/2/2008
Isu Microfinance Bank Limited	MicroFinance Bank	Amurie Omanze Community Bank Limited	1/2/2008	Amurie Omanze Community, Isu Local Govt Area	IMO	1/2/2008
Isuofia Microfinance Bank Limited	MicroFinance Bank	Isuofia Community Bank Limited	1/2/2008	Ekwusigo Park, Isuofia	ABI	1/2/2008

Ito Microfinance Bank Limited	MicroFinance Bank				Obarike Ito, Obi Local Government Headquarters	Obarike Ito	BEN	8/22/2009
Iwa Microfinance Bank Limited	MicroFinance Bank	Iwa Community Bank Limited	1/2/2008		Ayetoro-Oke, Okeho		OYO	1/2/2008
Iwade Microfinance Bank Limited	MicroFinance Bank	Iwade Community Bank Limited	1/2/2008		Iwade House, Oke Aje Market, Ijebu-Ode		OGU	1/2/2008
Iwoama Microfinance Bank Limited	MicroFinance Bank	Iwoama Community Bank Limited	1/2/2008		No. 12, Okrika/Refinery, 2D, Okrika Mainland, Okri		RIV	1/2/2008
Iwoye-Ijesha Microfinance Bank Limited	MicroFinance Bank	Iwoye-Ijesha Community Bank Limited	1/2/2008		1, Market Square, Iwoye-Ijesha		OSU	1/2/2008
Iyamoye Microfinance Bank Limited	MicroFinance Bank	Iyamoye Community Bank Limited	1/2/2008		Idifin Quarters, Omuo, Kabba Road, Iyamoye Ijumu L		KOG	1/2/2008
Iyede Microfinance Bank Limited	MicroFinance Bank	Iyede Community Bank Limited	1/2/2008		Town Hall Square, Otor-Iyede, Isoko North Local Go		DEL	1/2/2008
Iyeru Okin Microfinance Bank Limited	MicroFinance Bank	Iyeru Okin Community Bank Limited	1/2/2008		Olofa Way, Offa		KWA	1/2/2008
Iyin Ekiti Microfinance Bank Limited	MicroFinance Bank	Iyin Ekiti Community Bank Limited	1/2/2008		128, Owolabi Street, Iyin Ekiti		EKI	1/2/2008
Izzi Microfinance Bank Limited	MicroFinance Bank				Iboko Town, Izzi Local Government Area	Iboko	EBO	8/22/2009
Jamis Microfinance Bank Limited	MicroFinance Bank				140, Benue Crescent, Wadata, Makurdi	Makurdi	BEN	8/25/2010
Janmaa Microfinance Bank Limited	MicroFinance Bank	Janmaa Community Bank Limited	1/2/2008		1, Jebba Junction, Eiyenkorin		KWA	1/2/2008
Jemko Microfinance Bank Limited	MicroFinance Bank	Obeledu Community Bank Limited	1/2/2008		Jemko House, Obeledu-Igboukwu Road, Anocha LGA, An		ANA	1/2/2008

Jen Microfinance Bank Limited	MicroFinance Bank	Jen Community Bank Limited	1/2/2008	Near Government Day School, Hen Karim Lanlido		TAR	1/2/2008
Jesse Field Microfinance Bank Limited	MicroFinance Bank			Lagos		LAG	11/21/2008
Jewel Coop Microfinance Bank Limited	MicroFinance Bank			Commercial Layout, Gombe	Gombe	GOM	11/21/2008
JHN Microfinance Bank Limited	MicroFinance Bank			Bank 6, Peka Close, Wuse II	Wuse II, Abuja	ABU	8/22/2009
Josad Microfinance Bank Limited	MicroFinance Bank			Near Esu Kuchikau Palace, Kuchikau - Masaka	Karu LGC	NAS	
Kabba Microfinance Bank Limited	MicroFinance Bank	Kabba Community Bank Limited	1/2/2008	9, Market Road, Kabba, Kogi State		KOG	1/2/2008
Kada Microfinance Bank Limited	MicroFinance Bank		9/20/2007	1243, Ladoke Akintola Boulevard, Garki II		ABU	9/20/2007
Kadpoly Microfinance Bank Limited	MicroFinance Bank		2/22/2008	Behind Central Admin Block, Kaduna Polytechnic, Tu	Kaduna	KAD	2/22/2008
Kadupe Microfinance Bank Limited	MicroFinance Bank	Kadupe Community Bank Limited	1/2/2008	Sango Market, Saki		OYO	1/2/2008
Kafur Microfinance Bank Limited	MicroFinance Bank			No.3, Ballaji Road, Malali GRA		KAD	4/21/2011
Kajola Microfinance Bank Limited	MicroFinance Bank			Kajola Integrated Investment Limited,	Ikeja	LAG	11/21/2008
Kamba Microfinance Bank Limited	MicroFinance Bank	Dandi Community Bank Limited	1/2/2008	Along Dole Kaino Road, Kamba, Dandi Local Governme		KEB	1/2/2008
Kano-West Microfinance Bank Limited	MicroFinance Bank	Gwarzo Community Bank Limited	1/2/2008	Kofar Kudu, Gwarzo		KAN	1/2/2008

Karis Microfinance Bank Limited	MicroFinance Bank	Adalemo Opeilu Community Bank Limited	1/2/2008	66, Segun Osoba Road, Agbado Ifo Local Govt Area	OGU	1/2/2008
Katagum Microfinance Bank Limited	MicroFinance Bank	Katagum Community Bank Limited	1/2/2008	Palace Road, Katagum Zaki LGA, Bauchi State	BAU	1/2/2008
Kaugama Microfinance Bank Limited	MicroFinance Bank			Yanleman Road, Kaugama	JIG	11/21/2008
Keffi Microfinance Bank Limited	MicroFinance Bank	Keffi Community Bank Limited	1/2/2008	1, Abubakar Burga Road, Turaki House, Keffi	NAS	1/2/2008
Kenechukwu Microfinance Bank Limited	MicroFinance Bank		9/20/2007	Bishop Shenahan Hospital (Annex),	ENU	
Kernel Microfinance Bank Limited	MicroFinance Bank	Elekara Community Bank Limited	1/2/2008	Oyo-Ibadan Road, Idi-Igba, Ilora, Oyo	OYO	1/2/2008
Keystone Microfinance Bank Limited	MicroFinance Bank			4, Agbonyin Street, Off Adelabu Street, Surulere	LAG	8/22/2009
KHB Microfinance Bank Limited	MicroFinance Bank			5, Secretariat Road, Kafin Hausa LGA	JIG	4/21/2011
Kings Microfinance Bank Limited	MicroFinance Bank	Maryland Community Bank Limited	1/2/2008	7, Ikorodu Road, Maryland Ikeja	LAG	1/2/2008
Kisi Microfinance Bank Limited	MicroFinance Bank	Kisi Community Bank Limited	1/2/2008	Central Market Square, Kisi	OYO	1/2/2008
KJL Microfinance Bank Limited	MicroFinance Bank			Amazing Grace Plaza, Alekuwodo, Okefia, Osogbo	OSU	8/22/2009
Kogi Microfinance Bank Limited	MicroFinance Bank	Kogi Community Bank Limited	9/20/2007	Adankolo Area, Opposite Kogi FM Station	KOG	9/20/2007
Kontagora Microfinance Bank Limited	MicroFinance Bank	Kontagora Community Bank Limited	1/2/2008	Old Market/Lagos-Kano Road, Ungwuwan Gwari, Kontag	NIG	1/2/2008
Kopo-Kope Microfinance	MicroFinance			C/O Rose Queen Business Lekki	LAG	8/22/2009

Bank Limited	Bank				Consultants, Suite F95		
Korede Microfinance Bank Limited	MicroFinance Bank	Igbotako Community Bank Limited	1/2/2008		3, Luwoye Street, Igbotako	OND	1/2/2008
KOWA Microfinance Bank Limited	MicroFinance Bank		2/6/2008		9A, MacDonald Road, Ikoyi	LAG	2/6/2008
Kpacharka Microfinance Bank Limited	MicroFinance Bank				Kpacharka, Agwara LGA	NIG	8/22/2009
KRGY Microfinance Bank Limited	MicroFinance Bank				Kanti Area, Kano - Daura Road	JIG	2/18/2010
KSF Microfinance Bank Limited	MicroFinance Bank		10/5/2007		C/O The Rain Institute, 43, Afribank Street, Victo	LAG	
Kurama Microfinance Bank Limited	MicroFinance Bank	Kurama Community Bank Limited	1/2/2008		Yarkasuwa	KAD	1/2/2008
Kwara Commercial Microfinance Bank Ltd	MicroFinance Bank				159, Ibrahim Taiwo Road, Ilorin	KWA	12/6/2010
Kwatashi Microfinance Bank Limited	MicroFinance Bank	Kwatashi Community Bank Limited	1/2/2008		Gusau-Zaria Road, Kwatarkwashi	ZAM	1/2/2008
Landgold Microfinance Bank Limited	MicroFinance Bank	Landgold Community Bank Limited	1/2/2008		3, Oke-Aro Road, Oke-Aro	OGU	1/2/2008
Landrock Microfinance Bank Limited	MicroFinance Bank				Lagos	LAG	11/21/2008
Langtang Microfinance Bank Limited	MicroFinance Bank	Nimbar Community Bank Limited	1/2/2008		90, Solomon Lar Way, Near Coca Cola Depot Langtang	PLA	1/2/2008
Lapai Microfinance Bank Limited	MicroFinance Bank	Lapai Community Bank Limited	1/2/2008		No. 7, Ahmadu Bello Way, Lapai	NIG	1/2/2008
LASU Microfinance Bank Limited	MicroFinance Bank	LASU Community Bank Limited	1/2/2008		Lagos State University Campus, Lagos Badagry Expr	LAG	1/2/2008
Lavender Microfinance	MicroFinance	Lafenwa, Egbadu &			14, Lagos-Abeokuta Road, Abeokuta	OGU	8/22/2009

Bank Limited	Bank	Alaketu CBs		Lafenwa-Abeokuta		
Lavunkpan Microfinance Bank Limited	MicroFinance Bank	Lavunkpan Community Bank Limited	1/2/2008	Lagos-Bida Road, Lavun Local Govt Area, Kutigi	NIG	1/2/2008
Lawyers Microfinance Bank Limited	MicroFinance Bank			Trinity House, Plot 431 Cadastral Zone B06	ABU	4/21/2011
Layelu Microfinance Bank Limited	MicroFinance Bank	Odo-Aye Community Bank Limited	1/2/2008	102, Broad Street, Odo-Aye	OND	1/2/2008
Leadcity Microfinance Bank Limited	MicroFinance Bank		2/18/2008	Lead City University, Old Toll Gate, Ibadan/Lagos	OYO	2/18/2008
Leap Microfinance Bank Limited	MicroFinance Bank			No.5 Okelue Street, Off Nnebisi Road, West End	DEL	
Legacy Microfinance Bank Limited	MicroFinance Bank	Bajju Community Bank Limited	1/2/2008	ECWA Road, Zonkwa	KAD	1/2/2008
Legend Microfinance Bank Limited	MicroFinance Bank	Inisa & Kuta CBs	1/2/2008	Old Okuku / Okua Road Junction Inisa Town	OSU	1/2/2008
Lekki Microfinance Bank Limited	MicroFinance Bank	Lekki Community Bank Limited	1/2/2008	Km 15, Lagos/Epe Expressway, 1st Gate Jakande Esta	LAG	1/2/2008
Levite Microfinance Bank Limited	MicroFinance Bank			1, Henshaw Crescent, Mgbuoba, Port-Harcourt	RIV	8/22/2009
Liberty Microfinance Bank Limited	MicroFinance Bank			No. 16, Balewa Road, Ankpa	KOG	2/18/2010
Lifegate Microfinance Bank Limited	MicroFinance Bank			497, Ikorodu Road, Ketu	LAG	
Lift Above Poverty Organisation Microfinance Bank	MicroFinance Bank	LAPO	4/9/2007	Plot 6, S & T Road, Opposite Nselu Market, Benin	EDO	4/9/2007
Lift Microfinance Bank	MicroFinance Bank	Iyabo-LAPO CBs	1/2/2008	6 S&T Road, Uselu	EDO	1/2/2008

Limited	Bank								
Links Microfinance Bank Limited	MicroFinance Bank			9/18/2007	C/O Dee-Unique School; 7/9 Dee-Unique Close Abesan			LAG	9/18/2007
Living Spring Microfinance Bank Limited	MicroFinance Bank	Living Spring Community Bank Limited		1/2/2008	1, Diamond Hill			CRO	1/2/2008
Lofty Heights Microfinance Bank Limited	MicroFinance Bank	Ogida Community Bank Limited		1/2/2008	102, Edo Textile Mill Road			EDO	1/2/2008
Lordsville Microfinance Bank Ltd	MicroFinance Bank				C/O P.O.Box 72748, Victoria Island, Lagos			LAG	8/22/2009
Lovonus Microfinance Bank Limited	MicroFinance Bank				Suite 9, Block 10, Wuse Market	Wuse		ABU	
M & M Microfinance Bank Limited	MicroFinance Bank				Suite D1, Plot 599, Gwarjo Close, Off Gimbiya Str	Garki		ABU	11/21/2008
Mabinas Microfinance Bank Limited	MicroFinance Bank				F73/74, Mangal Plaza, Central Mkt, Off Ahmad Bello	Kaduna		KAD	4/21/2011
Mabon Microfinance Bank Limited	MicroFinance Bank				Ihiala LGA, Onitsha-Owerri Express Road, Ihiala	Ihiala-Orlu		ANA	11/21/2008
MacroD Microfinance Bank Limited	MicroFinance Bank			9/20/2007	80, Isoko Road, Ughelli,			DEL	9/20/2007
Madelyn Microfinance Bank Limited	MicroFinance Bank				Madelyn Plaza, 18-22, Ekpeyong Street, Off Marina	Eket		AKW	4/21/2011
Magajin Gari Microfinance Bank Limited	MicroFinance Bank	Magajin Gari Community Bank Limited		1/2/2008	Ago Market, Behind Emir's Palace			KWA	1/2/2008
Maigatari Microfinance Bank Limited	MicroFinance Bank				2, Chiroma Ahmadu Street, Maigatari LGA			JIG	4/21/2011
Mainland Microfinance	MicroFinance			11/21/2007	13, Odozi Street, Agbor			DEL	11/21/2007

Bank Limited	Bank								
Mainsail Microfinance Bank Limited	MicroFinance Bank					Plot 25B, Bodija Mini Shopping Centre, Bodija Mkt	Bodija-Ibadan	OYO	4/21/2011
Manna Microfinance Bank Limited	MicroFinance Bank					C/O True Trust BDC, 19, Tinubu Street 6th Floor	Lagos Island	LAG	8/22/2009
MAPOLY Microfinance Bank Limited	MicroFinance Bank			1/2/2008	MAPOLY Community Bank Limited	Moshood Abiola Polytechnic, Ojere Campus, Ibara		OGU	1/2/2008
Mar-Bonch Microfinance Bank Limited	MicroFinance Bank					14, Apongbon Street, Lagos		LAG	5/4/2010
Matol Microfinance Bank Limited	MicroFinance Bank			1/2/2008	Matol Community Bank Limited	Bokkos, Bokkos Local Govt Area		PLA	1/2/2008
Maxitrust Microfinance Bank Limited	MicroFinance Bank			12/13/2007		15B, Agudama Street, D-Line, Port Harcourt		RIV	12/13/2007
Mayfair Microfinance Bank Limited	MicroFinance Bank					28, Johnson Street, Onike-Yaba	Oniye-Yaba	LAG	8/22/2009
Mayfield Microfinance Bank Limited	MicroFinance Bank			10/25/2007		NCR House, 6 Broad Street, Lagos		LAG	10/25/2007
MBA Microfinance Bank Limited	MicroFinance Bank					C/O Arioye Abayomi & Co. Behind No.2, Old Otta Rd	Alagbado	LAG	11/21/2008
Mbaitoli Microfinance Bank Limited	MicroFinance Bank					Nwaorieubi Market Square, Mbaitoli LGA	Nworieubi	IMO	11/21/2008
Mbawulu Microfinance Bank Limited	MicroFinance Bank			1/2/2008	Mbawulu Community Bank Limited	Zone 16, No. 6-9, Main Market, Nnewi, P.O.Box1155,		ANA	1/2/2008
Mecies Microfinance Bank Limited	MicroFinance Bank					No. 1, Mobolaji Ajibola Street, Thomas Estate	Ajah	LAG	11/21/2008
Mega Microfinance Bank Limited	MicroFinance Bank			3/17/2008		No.1, Sultan Dasuki Way, Kubwa 2nd Gate	Kubwa-Abuja Expressway	ABU	3/17/2008

Merchant Microfinance Bank Limited	MicroFinance Bank				163, Jubilee Road, Aba	Aba	ABI	4/21/2011
Mercury Microfinance Bank Limited	MicroFinance Bank	New Oko-Oba Community Bank Limited	1/2/2008		6, Olayiwola Street, New Oko-Oba Ifako-Ijaiye		LAG	1/2/2008
Meridian Microfinance Bank Limited	MicroFinance Bank		11/16/2007		Suite 8, 1st Floor, Abule-Ado Shopping Complex, By		LAG	
Merit Microfinance Bank Limited	MicroFinance Bank	Amaigbo Community Bank Limited	1/2/2008		No. 21 Orlu Road, Amaigbo, Imo State		IMO	1/2/2008
Metro Microfinance Bank Limited	MicroFinance Bank				15, Otunubi Street, Off Haruna Street, Ogba-Ikeja	Ogba-Ikeja	LAG	4/21/2011
Mgbidi Microfinance Bank Limited	MicroFinance Bank	Mgbidi Community Bank Limited	1/2/2008		Owerri-Onitsha Road, Mgbidi		IMO	1/2/2008
Michika Microfinance Bank Limited	MicroFinance Bank	Michika Community Bank Limited	1/2/2008		Michika Main Market, Adamawa		ADA	1/2/2008
Microcred Microfinance Bank Nigeria Limited	MicroFinance Bank				1, Kachia Road, Kaduna	Kaduna	KAD	10/5/2010
Minji-Se Churchill Microfinance Bank Limited	MicroFinance Bank	Minji-Se Churchill Community Bank Limited	1/2/2008		26, Churchill Road		RIV	1/2/2008
Minna Microfinance Bank Limited	MicroFinance Bank				N.E 150Y, Adjacent Bank PHB, Bosso Road, Minna	Minna	NIG	
Misau Microfinance Bank Limited	MicroFinance Bank	Misau Community Bank Limited	1/2/2008		No. 2, Kano-Kari Road, Misau	Misau	BAU	1/2/2008
Mode Microfinance Bank Limited	MicroFinance Bank	Neni Community Bank Limited	1/2/2008		Akonobi Avenue, P.O.Box 235, Neni, Anaocha LGA, An		ANA	1/2/2008
Modiya Microfinance Bank Limited	MicroFinance Bank	Modiya Yekokpe Community Bank Limited	1/2/2008		Lagos-Kaduna Road, Opposite GTC Mokwa, Niger State		NIG	1/2/2008

Mokin Microfinance Bank Limited	MicroFinance Bank	Mokin Community Bank Limited	1/2/2008	Obada Market, Ilara Mokin Ifedore Local Govt Area		OND	1/2/2008
Molusi Microfinance Bank Limited	MicroFinance Bank	Molusi Community Bank Limited	1/2/2008	67A, Apoje Road, Oke Agbo Ijebu-Igbo		OGU	1/2/2008
Monarch Microfinance Bank Limited	MicroFinance Bank	Ngodo Community Bank Limited	1/2/2008	No. 45, Ogoja Road, Abakaliki		EBO	
Moneycom Microfinance Bank Limited	MicroFinance Bank	Moneycom Community Bank Limited	1/2/2008	31B, Oyeleke Street, Alausa-Ikeja		LAG	1/2/2008
Moneywell Microfinance Bank Limited	MicroFinance Bank		11/21/2007	No. 1, Ezingbu Road; Off Circular Road, GRA Phase		RIV	
Moneywise Microfinance Bank Limited	MicroFinance Bank		6/11/2007	29, Ladipo Kasunmu Street, Off Allen Avenue, Ikeja		LAG	
Mopa Microfinance Bank Limited	MicroFinance Bank	Mopa Community Bank Limited	1/2/2008	Ilorin-Kabba Road, P.M.B.10, Odole Mopa, Mopamuro		KOG	1/2/2008
Moyofade Microfinance Bank Limited	MicroFinance Bank	Moyofade Community Bank Limited	1/2/2008	121, Oba Moyepe Way, Ejigbo		OSU	1/2/2008
Mustard Microfinance Bank Limited	MicroFinance Bank			Plot 16, Omole Layout, Ogunnusi Road, Omole B/stop	Omole-Ikeja	LAG	4/21/2011
Mutual Benefit Microfinance Bank Limited	MicroFinance Bank			10, Apapa Road, Oyingbo, Ebute-Metta		LAG	4/21/2011
Mutunchi Microfinance Bank Limited	MicroFinance Bank			No. 3, Ballaji Road, Malali GRA, Kaduna	Malali-Kaduna	KAD	8/22/2009
Mwaghavul Microfinance Bank limited	MicroFinance Bank	Mwaghavul community Bank Limited	1/2/2008	16 A, Pankshin Road, P.O. Box, 283, Mangu, Plateau		PLA	1/2/2008

Nagarta Microfinance Bank Limited	MicroFinance Bank	Nargarta Community bank Limited	1/2/2008	No. 47, Abdullahi Fodio road, P.O.Box 4229, Sokoto	SOK	1/2/2008
Naisa Microfinance Bank Limited	MicroFinance Bank			Along Kontagora Road, Yauri Nsako	NIG	4/21/2011
Nakowa Microfinance Bank Limited	MicroFinance Bank	Kudandami & Gyallesu CBs	1/2/2008	Old Jos Road, Opp. Jafaar GateKongo, Zaria Local	KAD	1/2/2008
Namoda Microfinance Bank Limited	MicroFinance Bank	Namoda Community Bank Limited	1/2/2008	Kaura Namoda	ZAM	1/2/2008
Nassarawa Microfinance Bank Limited	MicroFinance Bank	Nassarawa Community Bank limited	1/2/2008	17, Umaru Makama, Dogo Road, Nasarawa, Nassarawa S	NAS	1/2/2008
Natex Microfinance Bank Limited	MicroFinance Bank	Oganiru Natex Community Bank	1/2/2008	P.O.Box 172, Nanka, Orumba North LGA, Anambra Stat	ANA	1/2/2008
Nations Microfinance Bank Limited	MicroFinance Bank	Hometrust Community Bank Limited	1/2/2008	76, Orlu Road, Nkwere	IMO	1/2/2008
Ndiagu Microfinance Bank Limited	MicroFinance Bank	Ndiagu Community Bank Limited	1/2/2008	101, Ogoja Road, Ndiagu Layout	EBO	1/2/2008
Ndiolu Microfinance Bank Limited	MicroFinance Bank	Ndiolu Community Bank Limited	1/2/2008	Parmanent Site, Government House, P.M.B. 6031, Awk	ANA	1/2/2008
Ndiorah Microfinance Bank Limited	MicroFinance Bank	Ndiorah Community Bank Limited	5/2/2008	1, Okosisi Lane, New Parts Market, Nkpor Onitsha, Lagos	ANA	1/2/2008
Needs Microfinance Bank Limited	MicroFinance Bank				LAG	11/21/2008
Neighborhood Microfinance Bank Limited	MicroFinance Bank		1/14/2008	C/O Fleet House, 105, Olu Obasanjo Road, Port-har	RIV	1/14/2008
Network Microfinance Bank Limited	MicroFinance Bank		10/8/2007	C/O P.O. Box 987, Ikorodu	LAG	10/8/2007
Neu-Kom Microfinance Bank Ltd	MicroFinance Bank	Neu-Kom Microfinance Bank	11/10/2008	Plot 741 Banex Plaza, Wuse II, Aminu Kano	ABU	11/10/2008

			Ltd			Crescent		
New Age Microfinance Bank Limited	MicroFinance Bank		Ikare Community Bank Limited	1/2/2008		Old UAC Building, Osele Market, Ikare	OND	1/2/2008
New Era Microfinance Bank Limited	MicroFinance Bank		Lanlate Community Bank Limited	1/2/2008		Bolorunpelu Market, Lanlate	OYO	1/2/2008
New Golden Pastures Microfinance Bank Limited	MicroFinance Bank					197, Warri/Sapele Road, Warri	DEL	4/4/2011
New Heights Microfinance Bank Limited	MicroFinance Bank			9/20/2007		24/26 Balogun Street, Lagos	LAG	9/20/2007
New Image Microfinance Bank Limited	MicroFinance Bank		Egba-Odeda Community Bank Limited	1/2/2008		Post Office Building, Odeda	OGU	1/2/2008
New Life Microfinance Bank Limited	MicroFinance Bank		New Life & Vintage CBs	1/2/2008		Plot 373, Lateef Jakande Road, Agidingbi	LAG	1/2/2008
New Mercantile Microfinance Bank Limited	MicroFinance Bank					Suite 9/12, SAAB Plaza, Plot3, Hamza Abdullahi Way	ABU	4/21/2011
New Starz Microfinance Bank Ltd	MicroFinance Bank					18, Adebanke Ajayi Street, Gbagada, Lagos	LAG	8/22/2009
New World Microfinance Bank Limited	MicroFinance Bank			1/22/2008		Dutse, Jigawa	JIG	1/22/2008
Ngala Microfinance Bank Limited	MicroFinance Bank		Ngala Community Bank Limited	1/2/2008		Along Main Road, Gamboru-Ngala, Borno State	BOR	1/2/2008
Ngegwe Microfinance Bank Limited	MicroFinance Bank		Ngegwe Community Bank Limited	1/2/2008		No. 77 Hospital Road, Ogale-Eleme	RIV	1/2/2008
Nibo Microfinance Bank Limited	MicroFinance Bank		Nibo Community Bank Limited	1/2/2008		Eke Market Square, Awka South LGA, Anambra State	ANA	1/2/2008
Nice Microfinance Bank	MicroFinance Bank		Nise Community	1/2/2008		P.M.B.2002, Awka South	ANA	1/2/2008

Limited	Bank	Bank Limited		LGA, Anambra State		
Ningi Microfinance Bank Limited	MicroFinance Bank	Ningi Community Bank Limited	1/2/2008	4, Bank Road< Ningi LGA, Bauchi State	BAU	1/2/2008
Nkpa Microfinance Bank Limited	MicroFinance Bank		1/2/2008	Amaohoro Nkpa, Bende Local Government Area	ABI	1/2/2008
Nkpologwu Microfinance Bank Limited	MicroFinance Bank		1/2/2008	Eke Market, Nkpologwu, P.M.B.25, Aguata, Anambra S	ANA	1/2/2008
Nkpolu-UST Microfinance Bank Limited	MicroFinance Bank	Nkpolu-UST Community Bank Limited	1/2/2008	University of Science & Technology,	RIV	1/2/2008
Nkpor Microfinance Bank Limited	MicroFinance Bank	Nkpor Community Bank Limited	1/2/2008	96, Nnamdi Azikiwe Ave, Nkpor, Idemili North LGA	ANA	1/2/2008
Nnokwa Microfinance Bank Limited	MicroFinance Bank	Nnokwa Community Bank Limited	1/2/2008	Eke Nnokwa Market Square, P.O.Box 155, Nnokwa, Ana	ANA	1/2/2008
Nooble Microfinance Bank Limited	MicroFinance Bank	Afia Mgbuke Community Bank Limited	1/2/2008	22, Agulu Avenue, Amafor West, Nkpor Agu, Anambra	ANA	1/2/2008
Nopov Microfinance Bank Limited	MicroFinance Bank		3/5/2008	7-9 Mambilla Street, Maitama	ABU	3/5/2008
North Capital Microfinance Bank Limited	MicroFinance Bank	Batsari Community Bank Limited	1/2/2008	Batsari Local Govt Area	KAT	1/2/2008
Novel Microfinance Bank Limited	MicroFinance Bank		8/10/2007	10/12 Ogedengbe Road, Apapa	LAG	8/10/2007
NPF Microfinance Bank Limited	MicroFinance Bank	NPF Community Bank Limited	1/2/2008	1, Ikoyi Road, Obalende, Lagos State	LAG	1/2/2008
Nri Microfinance Bank Limited	MicroFinance Bank	Nri Community Bank Limited	1/2/2008	Eke Market Square, NriAnaocha Local Govt Area	ANA	1/2/2008
Nsehe Microfinance Bank Limited	MicroFinance Bank	Nsehe Community Bank Limited	1/2/2008	115, Ikot Ekpene Road, P.M.B.1168, Uyo, Akwa Ibom	AKW	1/2/2008

Nsu Microfinance Bank Limited	MicroFinance Bank	Nsu Community Bank Limited	1/2/2008	Orieagu-Umuahia Road, Umuakagu Nsu Ehime Mbano Loc		IMO	1/2/2008
Nsukka Township Microfinance Bank Limited	MicroFinance Bank	Nsukka Community Bank Limited	1/2/2008	69, Enugu Road, Nsukka		ENU	1/2/2008
Ntueke Microfinance Bank Limited	MicroFinance Bank	Ntueke Community Bank Limited	1/2/2008	Ntueke-Dikenfafi, Urualla		IMO	1/2/2008
Numo Microfinance Bank Limited	MicroFinance Bank	Umunumo Community Bank Limited	1/2/2008	Umueze Umunumo Ehime, Ehime Mbano Local Govt Area		IMO	1/2/2008
Nun Microfinance Bank Limited	MicroFinance Bank			KM25, Mbiama/Yenogoa Road, Yenizue-Crene, Yenogoa	Yenogoa	BAY	8/22/2009
Nurthorn Microfinance Bank Limited	MicroFinance Bank			Unity Bank House, Mbiama-Yenogoa, Yenogoa		BAY	4/21/2011
Nwabosi Microfinance Bank Limited	MicroFinance Bank	Nwabosi Community Bank Limited	1/2/2008	Isiekenesi, Ideato South Local Govt Area		IMO	1/2/2008
Nwannegadi Microfinance Bank Limited	MicroFinance Bank	Nwannegadi Microfinance Bank Limited	2/1/2007	51, Bishop Shenahan College Road, Orlu, Imo Street		IMO	2/1/2007
Nwanne-Ukwu Microfinance Bank Limited	MicroFinance Bank			Amazu Amaeke, Ovim, Isuikwato LGA	Isuikwato LGA	ABI	8/22/2009
Oakland Microfinance Bank Limited	MicroFinance Bank			Sokedile House, Oka, Akoko South LGA	Oka	OND	8/22/2009
Oba Microfinance Bank Limited	MicroFinance Bank	Oba Community Bank Limited	1/2/2008	Afor Oba Market Square, Oba, Idemili Local Governm		ANA	1/2/2008

Obafemi Awolowo University Microfinance Bank Limited	MicroFinance Bank	OAU Community Bank Limited	1/2/2008	Oduduwa Hall Complex, Obafemi Awolowo University,		OSU	1/2/2008
Obeledu Microfinance Bank Limited	MicroFinance Bank			Jemko House, Obeledu-Igbo Ukwu Road, Anocha LGA	Anocha LGA	ANA	8/22/2009
Obodoukwu Microfinance Bank Limited	MicroFinance Bank	Obodoukwu Community Bank Limited	1/2/2008	Ideato North Local Govt Area		IMO	1/2/2008
Obokun Microfinance Bank Limited	MicroFinance Bank	Obokun Community Bank Limited	1/2/2008	Adeyemi House, Ogo Agbala Street, Ibokun		OSU	1/2/2008
Obollo Microfinance Bank Limited	MicroFinance Bank	Obollo Community Bank Limited	1/2/2008	21, University Road, Obollo-Afor		ENU	1/2/2008
				Udenu Local Govt			
Obosi Microfinance Bank Limited	MicroFinance Bank	Obosi Community Bank Limited	1/2/2008	Obosi Town, Idemili Local Government Area, Anambra		ANA	1/2/2008
Obudu Microfinance Bank Limited	MicroFinance Bank	Obudu Urban Community Bank Limited	1/2/2008	No. 1, Ranch Road, Obudu		CRO	1/2/2008
Oche Microfinance Bank Limited	MicroFinance Bank			B63, Shell Camp, Owerri		IMO	4/21/2011
OCON Success Microfinance Bank Limited	MicroFinance Bank			Fakeye Area, Oja-Odan	Ilaro	OGU	8/22/2009
				Yewa North, Ilaro			
Octopus Microfinance Bank Limited	MicroFinance Bank	Awori Community Bank Limited	1/2/2008	24, Community Road, Opp. Police Station		LAG	1/2/2008
				Otto-Ijani			
Odenigbo Microfinance Bank Limited	MicroFinance Bank			8, Bank Road, Ikoyi	Ikoyi	LAG	8/22/2009
Odoakpu Microfinance Bank Limited	MicroFinance Bank	Odoakpu Community Bank Limited	1/2/2008	81 Bida Road, P.O.Box 548, Onitsha, Anambra State		ANA	1/2/2008

Odu Microfinance Bank Limited	MicroFinance Bank	Odu Community Bank Limited	1/2/2008	Anyigba-Dekina Road, P.O.Box 35, Odu Ogbo, Ogboyag	KOG	1/2/2008
Oduduwa Microfinance Bank Limited	MicroFinance Bank	Oduduwa Community Bank Limited	1/2/2008	5B, Aderemi Road, Ile-Ife	OSU	1/2/2008
Ogbe-Ahiara Microfinance Bank Limited	MicroFinance Bank	Ogbe Community Bank Limited	1/2/2008	Onugot House, Afor Ogbe Market,	IMO	1/2/2008
Ogberuru Microfinance Bank Limited	MicroFinance Bank	Ogberuru Community Bank Limited	1/2/2008	Eke Market Square, Ogberuru	IMO	1/2/2008
Ogbete Microfinance Bank Limited	MicroFinance Bank	Ndiafia Community Bank Limited	1/2/2008	Local Govt Building, Ogbete Main Market, Ogbete	ENU	1/2/2008
Ogboefere Microfinance Bank Limited	MicroFinance Bank	Ogboefere Community Bank Limited	1/2/2008	Ogboefere Market, Onitsha, Anambra State	ANA	1/2/2008
Ogbomosho Microfinance Bank Limited	MicroFinance Bank	Ogbomosho Community Bank Limited	1/2/2008	Takie Square, Ilorin Road, Ogbomosho	OYO	1/2/2008
Ogidi Microfinance Bank Limited	MicroFinance Bank	Ogidi Community Bank Limited	1/2/2008	Akpakaogwe, Old Enugu/Onitsha Road, Ogidi	ANA	1/2/2008
Ogige Microfinance Bank Limited	MicroFinance Bank	Ogige Community Bank Limited	1/2/2008	20, Market Road, Alu Dele Nsukka	ENU	1/2/2008
Ogiyan Microfinance Bank Limited	MicroFinance Bank	Ogiyan Community Bank Limited	1/2/2008	1, Ola Road, P.M.B. 4006, Ejigbo. Osun State	OSU	1/2/2008
Ogoja Microfinance Bank Limited	MicroFinance Bank	Isibori Community Bank Limited	1/2/2008	Mission Road, Ogoja	BEN	1/2/2008
Oha Microfinance Bank Limited	MicroFinance Bank	Oha Community Bank Limited	1/2/2008	Square (Afeyi), Oha Orerokpe Okpe Local Govt Area	DEL	1/2/2008
Ohafia Microfinance Bank	MicroFinance Bank	Ohafia Community	1/2/2008	87 Arochukwu Road, Amaekpu, Ohafia,	ABI	1/2/2008

Limited	Bank	Bank Limited		Abia State		
Ohamele Microfinance Bank Limited	MicroFinance Bank	Ohamele Community Bank Limited	1/2/2008	Ukwa East Local Govt Area, Aba	ABI	1/2/2008
Ohha Microfinance Bank Limited	MicroFinance Bank	Ohha, Emene & Umuofor CBs	1/2/2008	No. 1, Ogui Road,	ENU	1/2/2008
Ohon Microfinance Bank Limited	MicroFinance Bank	Ohon Community Bank Limited	1/2/2008	Aiyeunle-Gbedde, Ijumu Local Government Area, Kogi	KOG	1/2/2008
Oja Tesan Egbeda Microfinance Bank Limited	MicroFinance Bank	Oja Tesan Community Bank Limited	1/2/2008	2, Station Market Road, Erunmu Egbeda Local Govt A	OYO	1/2/2008
Ojokoro Microfinance Bank Limited	MicroFinance Bank	Ojokoro Community Bank Limited	1/2/2008	Lagos-Abeokuta Express, Ijaiye Bus Stop, Ojokoro,	LAG	1/2/2008
Ojoo-Shasha Microfinance Bank Limited	MicroFinance Bank	Ojoo-Shasha Community Bank Limited	1/2/2008	11, Arulogun / Army Barracks Road, Ojo	OYO	1/2/2008
Oka Microfinance Bank Limited	MicroFinance Bank	Oka Community Bank Limited	1/2/2008	Sokedile House, Oka Akoko South Local Govt Area	OND	1/2/2008
Okaiuga Microfinance Bank Limited	MicroFinance Bank			P.O.Box 82, Okaiuga-Nkwoegwu, Umuahia	ABI	8/22/2009
Okeagbe Microfinance Bank Limited	MicroFinance Bank	Okeagbe Community Bank Limited	1/2/2008	A2, Rufus Giwa Road, Afa, Okeagbe	OND	1/2/2008
Okengwe Microfinance Bank Limited	MicroFinance Bank	Okengwe Community Bank limited	1/2/2008	1, Lagos Road, c/o Okengwe P.A, Ozuja Ward Okengwe	KOG	1/2/2008
Oke-Oba Microfinance Bank Limited	MicroFinance Bank	Oke-Oba Community bank Limited	1/2/2008	Ogbomoso-Igbeti Road, Tewure Orire Local Govt Area	OYO	1/2/2008
Okigwe Industrial Microfinance Bank	MicroFinance Bank	Okigwe Industrial Community Bank	1/2/2008	141, Owerri Road, Okigwe	IMO	1/2/2008

Olofin Microfinance Bank Limited	MicroFinance Bank	Olofin Community Bank Limited	1/2/2008	2, Moore Street, Ile-Ife		OSU	1/2/2008
Ologbon Microfinance Bank Limited	MicroFinance Bank	Ologbon Community Bank Limited	1/2/2008	Ologbon Area, Osogbo Road, Ogbomoso		OYO	1/2/2008
Olowolagba Microfinance Bank Limited	MicroFinance Bank			5, Kafi Street, Off Obafemi Awolowo Way, Alausa	Alausa-Ikeja	LAG	8/22/2009
Olu-Basiri Microfinance Bank Limited	MicroFinance Bank	Olu-Basiri Community Bank Limited	1/2/2008	205, Old Ikirun Road, Sabo Junction		OYO	1/2/2008
Oluchukwu Microfinance Bank Limited	MicroFinance Bank		1/2/2008	Bethany House, 1, Akor Street, Onitsha, Anambra St		ANA	1/2/2008
Omak Microfinance Bank Limited	MicroFinance Bank			33, Station Road, Osogbo	Osogbo	OSU	8/22/2009
Omasi Microfinance Bank Limited	MicroFinance Bank	Iwollo Community Bank Limited	1/2/2008	Obodongwu-Iwollo, Iwollo Ezeagu Local Govt Area		ENU	1/2/2008
Omiye Microfinance Bank Limited	MicroFinance Bank	Ilupeju & Isan-Ekiti CBs	1/2/2008	Co-operative Building, Market Square Ilupeju-Ekiti		EKI	1/2/2008
Omu Microfinance Bank Limited	MicroFinance Bank	Omu Community Bank Limited	1/2/2008	1, Otunba Gbenga Daniel Road, Omu Ijebu		OGU	1/2/2008
Omuaran Microfinance Bank Limited	MicroFinance Bank	Omuaran Community Bank Limited	1/2/2008	92, Aperan Road, Omuaran, Irepodun Local Govt Area		KWA	1/2/2008
Omuma Microfinance Bank Limited	MicroFinance Bank	Omuma Community Bank Limited	1/2/2008	Bank House, Omuma Market Square, Omuma		IMO	1/2/2008
Onibu-Ore Microfinance Bank Limited	MicroFinance Bank	Onibu-Ore Community Bank Limited	1/2/2008	SW9/90 Dogo Bus Stop, Apata		OYO	1/2/2008
Onima Microfinance Bank Limited	MicroFinance Bank	Onicha-Amaure Community Bank Limited	1/2/2008	Onicha Ezin Ihitte, Mbaise Local Govt Area		IMO	1/2/2008

Onyx Microfinance Bank Limited	MicroFinance Bank					5th Floor, Eleganza House; 15, Joseph Street	Lagos Island	LAG	8/22/2009
Oraezue Microfinance Bank Limited	MicroFinance Bank	Omagba Community Bank Limited	1/2/2008	1/2/2008		3, Igwieke Odu Street, Onitsha, Anambra State	ANA	ANA	1/2/2008
Oraukwu Microfinance Bank Limited	MicroFinance Bank	Oraukwu Community Bank Limited	1/2/2008	1/2/2008		P.O.Box 127, Oraukwu Town, Idemili LGA, Anambra St	ANA	ANA	1/2/2008
Oredegebe Microfinance Bank Limited	MicroFinance Bank	Oke Aro Oredegbe Community Bank Limited	1/2/2008	1/2/2008		42, Igbalaye Street, Idanre Road, Oke-Aro	OND	OND	1/2/2008
Orie-Orba Microfinance Bank Limited	MicroFinance Bank	Orie-Orba Community Bank Limited	1/2/2008	1/2/2008		1, Obollo Road, Orba, Udenu Local Govt Area,	ENU	ENU	1/2/2008
Orisuihiteukwa Microfinance Bank Limited	MicroFinance Bank	Orisuihiteukwa Community Bank Limited	1/2/2008	1/2/2008		Ekeututu Market Square, Orisuihiteukwa Orsu Local	IMO	IMO	1/2/2008
Orisun Microfinance Bank Limited	MicroFinance Bank	Orisun & Arinkojoko CBs	1/2/2008	1/2/2008		16, Meleki Street, Olusegun Osoba Way, Ago Iwoye	OGU	OGU	1/2/2008
Orita Basorun Microfinance Bank Limited	MicroFinance Bank	Orita Basorun Community Bank Limited	1/2/2008	1/2/2008		Plot 1, Salami Layout, Orita Basorun	OYO	OYO	1/2/2008
Oro-Ago Microfinance Bank Limited	MicroFinance Bank	Oro-Ago Community Bank Limited	1/2/2008	1/2/2008		Opposite C.C.C., Oro-Ago, Ifelodun Local Govt Area	KWA	KWA	1/2/2008
Orofia Industrial Layout Microfinance Bank Limited	MicroFinance Bank		1/2/2008	1/2/2008		Orofia Industrial Layout, P.M.B.2020, Njikoka LGA,	ANA	ANA	1/2/2008
Orokam Microfinance Bank Limited	MicroFinance Bank		1/2/2008	1/2/2008		Markurdi Road, Adoka, P.M.B. 2224, Otukpo, Benue S	BEN	BEN	
Oroke Microfinance Bank Limited	MicroFinance Bank	Akungba Community Bank Limited	1/2/2008	1/2/2008		Ibaka Quarters, Ikare Road, Akungba Akoko	OND	OND	1/2/2008
Osanta Microfinance Bank Limited	MicroFinance Bank	Osanta Community Bank Limited	1/2/2008	1/2/2008		Dibu Ojerinde House, Ajegunle Oke-Afin, Igboho Ore	OYO	OYO	1/2/2008

OSCOTECH Microfinance Bank Limited	MicroFinance Bank			9/20/2007	Osun State College of Technology, Esa Oke	OSU	9/20/2007
Osi Microfinance Bank Limited	MicroFinance Bank	Osi Community Bank Limited		1/2/2008	Egbe Road, Osi, Ekiti Local Govt Area	KWA	1/2/2008
Osina Microfinance Bank Limited	MicroFinance Bank	Osina Community Bank Limited		1/2/2008	Afor Osina, Ideato North Local Govt Area	IMO	1/2/2008
Osoibo Microfinance Bank Limited	MicroFinance Bank	Osoibo Community Bank Limited		1/2/2008	Opposite Osun State Hospital Management Board	OSU	1/2/2008
Osomhe Microfinance Bank Limited	MicroFinance Bank	Fugar Community Bank Limited		1/2/2008	Mission Road, Iyhiuchia Quarters, Fugar	EDO	1/2/2008
Ospoly Microfinance Bank Limited	MicroFinance Bank			1/2/2008	Osun State Polytechnic Campus, Iree, Osun State	OSU	1/2/2008
Osumeniyi Microfinance Bank Limited	MicroFinance Bank			1/2/2008	Eke Market Square, P.O.Box 191, Osumeniyi, Nnewi So	ANA	1/2/2008
Otukpo Microfinance Bank Limited	MicroFinance Bank	Otukpo Community Bank Limited		1/2/2008	7, Makurdi Road, Otukpo	BEN	1/2/2008
Otun-Ekiti Microfinance Bank Limited	MicroFinance Bank	Otun-Ekiti Community Bank Limited		1/2/2008	Odo Oja Road, Otun Ekiti	EKI	1/2/2008
Otuo Microfinance Bank Limited	MicroFinance Bank	Otuo Community Bank Limited		1/2/2008	Oluma Quarters, Otuo, Afuze	EDO	1/2/2008
Ours Microfinance Bank Limited	MicroFinance Bank				Owan East Local Govt A		
Ovidi Microfinance Bank Limited	MicroFinance Bank	Ovidi Community Bank Limited		1/2/2008	23/25 Olofa Way, Offa	KWA	5/4/2010
Owotutu Microfinance Bank Limited	MicroFinance Bank	Owotutu Community Bank Limited		1/2/2008	1, Attah Road, Okene	KOG	1/2/2008
Oyan Microfinance Bank Limited	MicroFinance Bank	Oyan Community Bank Limited		1/2/2008	23, Ladipo Street	LAG	1/2/2008
Oyinyechi Microfinance	MicroFinance				Oyan Asaba Road, Owode Market Square, Oyan	OSU	1/2/2008
					One Market, Ngodo-Isuochi, Umeneohi	ABI	4/21/2011

Bank Limited	Bank				LGA		
Oziza Microfinance Bank Limited	MicroFinance Bank	Oziza Community Bank Limited	1/2/2008		No. 1, Water Works Road,	EBO	1/2/2008
Pace-Setter Microfinance Bank Limited	MicroFinance Bank	Irepo Community Bank Limited	1/2/2008		Confidence Motors Office Complex, Sabo Ojoo	OYO	1/2/2008
Palmcoast Microfinance Bank Limited	MicroFinance Bank				3, Awka Efak Street, Uyo LGA	AKW	4/21/2011
Pana Microfinance Bank Limited	MicroFinance Bank				Former Bank of the North Blding, Opp UK Bello Sch	NIG	5/4/2010
Parallex Microfinance Bank Limited	MicroFinance Bank		3/17/2008		55, Kudirat Abiola Way, Oregun-Ikeja	LAG	3/17/2008
Parkway Microfinance Bank Limited	MicroFinance Bank		1/4/2008		C/O Dale & Parker Consulting, Brian Tracy Int'l,2	LAG	1/4/2008
Partnership Microfinance Bank Limited	MicroFinance Bank				5B, Oguta Road, Onitsha	ANA	4/21/2011
Pathfinder Microfinance Bank Limited	MicroFinance Bank	Ila Orangun Community Bank Limited	1/2/2008		Osoybo Road, Temidire Okejigbo, Ila Orangun	OSU	1/2/2008
Patrickgold Microfinance Bank Limited	MicroFinance Bank				No.95, Old Abeokuta Motor Road, Opp Post Office	LAG	4/21/2011
Peace Microfinance Bank Limited	MicroFinance Bank		1/24/2008		Utako District	ABU	1/24/2008
Pearl Microfinance Bank Limited	MicroFinance Bank				6, Taiwo Ishola Street, Off Lola Holloway Street	LAG	4/21/2011
Peniel Microfinance Bank Limited	MicroFinance Bank	Ore-Ofa Community Bank Limited	1/2/2008		Km 20, Badagry Expressway, Opp. LASU Main Gate, Oj	LAG	1/2/2008

Peoples Microfinance Bank Limited	MicroFinance Bank	Orofia Industria Layout Community Bank	1/2/2008	Orofia Industrial Layout, Abagana, Nijjoka Local G	ANA	1/2/2008
Peopleserve Microfinance Bank Limited	MicroFinance Bank			C/O Enterprise Integrators 87, Ozumba Mbadiwe Str.	LAG	4/21/2011
Petra Microfinance Bank Limited	MicroFinance Bank			St. Dominic Priory; 356 Herbert Macaulay Way	LAG	11/21/2008
Phoenix Microfinance Bank Limited	MicroFinance Bank	Yan Samari Community Bank Limited	1/2/2008	IBB Market, GRA Road, P.M.B. 65, Suleja, Niger Sta	NIG	1/2/2008
Pillar Microfinance Bank Limited	MicroFinance Bank			Ogobia-Otukpo Road	BEN	4/21/2011
Pinnacle Microfinance Bank Limited	MicroFinance Bank			304-305, Ansar Plaza, Mpape Hills, Mpape District	ABU	11/10/2010
Planet Microfinance Bank Limited	MicroFinance Bank	Isheri-Oshun Community Bank Limited	1/2/2008	14, Isheri Oshun Road, Off Ijegun Road, Ikotun	LAG	1/2/2008
Plus Plus Microfinance Bank Limited	MicroFinance Bank			Ogun	OGU	4/21/2011
Polybadan Microfinance Bank Limited	MicroFinance Bank			The Polytechnic, Ibadan Ventures, Ibadan	OYO	4/21/2011
Polyunwana Microfinance Bank Limited	MicroFinance Bank			Akanu Ibiam Fed. Polytechnic, Unwana-Afikpo	EBO	4/21/2011
Premium Microfinance Bank Limited	MicroFinance Bank	Owode Community Bank Limited	1/2/2008	Plot 1, Road 2, Owode Housing Estate,	OYO	1/2/2008
Progress Link Microfinance bank limited	MicroFinance Bank	Isanlu Community Bank Limited	1/2/2008	Isanlu, Yagba East Local Government Area, Kogi Sta	KOG	1/2/2008
Prolific Microfinance Bank Limited	MicroFinance Bank	Ogba Community Bank Limited	1/2/2008	9, Ijaiye Road, Ogba	LAG	1/2/2008

Prospects Microfinance Bank Limited	MicroFinance Bank		1/14/2008	C/O J.J. Akpan; 93, Udo Umana Street,	AKW	1/14/2008
Prosperity Microfinance Bank Limited	MicroFinance Bank	Dash Community Bank Limited	1/2/2008	Jeremiah 17:8 Place, 1 Siluko Road, Benin City	EDO	
Providence Microfinance Bank Limited	MicroFinance Bank		2/18/2008	Suite 3; 21, Ogundana Street, Off Allen Avenue, Ik	LAG	2/18/2008
Pyramid Microfinance Bank Limited	MicroFinance Bank		1/2/2008	Spicery Building, 11/13, Onayade Street, Igbobi Sa	LAG	1/2/2008
Rakib Microfinance Bank Limited	MicroFinance Bank	Kibiya Community Bank Limited	1/2/2008	P.O.Box 13909, Kibiya Local Government Area, Kano	KAN	1/2/2008
Randalpha Microfinance Bank Limited	MicroFinance Bank	Randa Community Bank Limited	1/2/2008	Randa Area, Behind Baptist Seminary, Ogbomoso	OYO	1/2/2008
Ranmilowo Microfinance Bank Limited	MicroFinance Bank		1/2/2008	Apinnite Area, Saki, Osun State	OSU	1/2/2008
Reality Microfinance Bank Limited	MicroFinance Bank			Reality House, Oladele George Str, By AP Station Ife Road	OYO	4/21/2011
Rehoboth Microfinance Bank Limited	MicroFinance Bank		1/11/2008	4, Oyemade Street, Santos Layout, Dopemu-Agege	LAG	1/11/2008
Rephidim Microfinance Bank Limited	MicroFinance Bank			10, Lateef Salami Street, Ajao Estate	LAG	4/21/2011
Re-Union Microfinance Bank Limited	MicroFinance Bank		12/13/2007	34, Ogoja Expressway, Abakaliki	EBO	12/13/2007
RIC Microfinance Bank Limited	MicroFinance Bank			1, Adeola Hopewell Street, Victoria Island	LAG	11/21/2008
Riggs Microfinance Bank Limited	MicroFinance Bank		12/18/2007	5, Imam Abib Adetoro Street, Victoria Island	LAG	
Rima Microfinance Bank limited	MicroFinance Bank	Rima Community Bank Limited	1/2/2008	Sambo Road, S/Gari, Goronyo, P.M.B. 02355, Sokoto	SOK	1/2/2008

Riverside Microfinance Bank Limited	MicroFinance Bank	Ado Odo Community Bank Limited	1/2/2008	Market Road, Ado Odo		OGU	1/2/2008
RNG Ringim Universal Microfinance Bank Limited	MicroFinance Bank			Opp. Ringim Central Market, Ringim LGA	Ringim	JIG	
Rockshield Microfinance Bank Limited	MicroFinance Bank			Leaders Plaza 3, Aladelola Street, Ikosi-Ketu	Ikosi-Ketu	LAG	11/21/2008
Royal Blue Microfinance Bank Limited	MicroFinance Bank	Royal Community Bank Limited	1/2/2008	127, Herbert Macaulay Street, Metta	Ebute-	LAG	1/2/2008
Royal Crown Microfinance Bank Limited	MicroFinance Bank	Akulu Community Bank Limited	1/2/2008	19, Oduwano Street, Fegge Onitsha, Anambra State	ANA	ANA	1/2/2008
Royal Exchange Microfinance Bank Limited	MicroFinance Bank			13, Oke-Olowogbowo Street, 3rd Flr, Off Broad Str	Lagos Island	LAG	8/22/2009
Royal Microfinance Bank Limited	MicroFinance Bank	Borikiri Community Bank Limited	1/2/2008	No. 7, King Jaja Street,		RIV	1/2/2008
Royal Trust Microfinance Bank Limited	MicroFinance Bank		9/20/2007	28, Agbado Road, Iju-Ishaga		LAG	
Sabon Yelwa Microfinance Bank Limited	MicroFinance Bank	Sabon Yelwa Community Bank,	1/2/2008	85 Kachia Road, Sabon Tasha, Kaduna, P.O.Box 8678,		KAD	1/2/2008
Sadau Microfinance Bank Limited	MicroFinance Bank	Sadau Community Bank Limited	1/2/2008	2, Kofar Fada Road, Itas		BAU	1/2/2008
Safegate Microfinance Bank Limited	MicroFinance Bank			1st Floor, No.26, Obafemi Awolowo Way, Ikeja	Ikeja-Lagos	LAG	
Safeline Microfinance Bank Limited	MicroFinance Bank			FRSC Multipurpose Co-Operative Society, Abuja	Abuja	ABU	8/22/2009
Sagamu Microfinance Bank Limited	MicroFinance Bank	Sagamu Community Bank Limited	1/2/2008	67, Ewusi Street, Sagamu		OGU	1/2/2008
Sal-Fol Microfinance Bank Limited	MicroFinance Bank	Abayomi Community Bank Limited	1/2/2008	Oyo Town		OYO	1/2/2008

Sama Microfinance Bank Limited	MicroFinance Bank	Alawari Community Bank Limited	1/2/2008	19, Okrika Road,		RIV	1/2/2008
Santrust Microfinance Bank Limited	MicroFinance Bank			314B, Akin Ogunlewe Street, Off Ligali Ayorinde	Victoria Island	LAG	
Sapphire Microfinance Bank Limited	MicroFinance Bank			111, Abak Road, Uyo	Uyo	AKW	8/22/2009
Satellite Microfinance Bank Limited	MicroFinance Bank		9/20/2007	Plot E49, Road 53, Victoria Garden City, Lekki		LAG	9/20/2007
Savingscorp Microfinance Bank Limited	MicroFinance Bank			Plot D43, Lagos Crescent, Off Ladoke Akintola Bld	Garki-Abuja	ABU	
SBDC Microfinance Bank Limited	MicroFinance Bank		12/13/2007	C/O Joseph Akele, Investment House Ring Road, Oppo		EDO	12/13/2007
Seed Capital Microfinance Bank Limited	MicroFinance Bank			2, Montgomery Road, Yaba		LAG	8/11/2008
Seed Fund Microfinance Bank Limited	MicroFinance Bank			38, Sunmola Street, Mende Maryland	Maryland	LAG	11/21/2008
Seed Microfinance Bank Limited	MicroFinance Bank		11/21/2007	2, Montgomery Road, Yaba	Yaba	LAG	11/21/2007
Seedvest Microfinance Bank Limited	MicroFinance Bank		9/20/2007	15, Awolowo Way, G. Allen Area, Dugbe		OYO	
Senchi Microfinance Bank Limited	MicroFinance Bank			Senchi Town, Zuru Local Government Area		KEB	4/30/2011
Sepeteri Microfinance Bank Limited	MicroFinance Bank	Sepeteri Community Bank Limited	1/2/2008	Saki Road, Idi-Emi, Sepeteri East Local Govt Area		OYO	1/2/2008
Shelter Microfinance Bank Limited	MicroFinance Bank			Plot 25, Phase II, Beckley Estate, Agege	Agege	LAG	4/21/2011
Sherperd Trust Microfinance Bank Limited	MicroFinance Bank			C/O House 2A, Blk K, Abraham Adesanya Housing Est	Ajah-Lekki	LAG	8/22/2009
Shinkafi Microfinance Bank Limited	MicroFinance Bank	Shinkafi Community Bank Limited	1/2/2008	Magaji Shinkafi Road, Isa Local Govt Area		ZAM	1/2/2008

Shongom Microfinance Bank Limited	MicroFinance Bank	Shongom Community Bank Limited	1/2/2008	Yola Road, Kaltungo, Gombe State	GOM	1/2/2008
Shoreline Microfinance Bank Limited	MicroFinance Bank			C/O 23, Ladipo Kuku Street, Off Allen Avenue	LAG	11/21/2008
Silver Microfinance Bank Limited	MicroFinance Bank	Kerang Community Bank Limited	1/2/2008	Kerang Ampana Road, Mangu Local Govt Area	PLA	1/2/2008
Sincere Microfinance Bank Limited	MicroFinance Bank	Sincere Community Bank Limited	1/2/2008	145, Olofa Way, Offa	KWA	1/2/2008
Sky-Line Microfinance Bank Limited	MicroFinance Bank			No.2, Baba Street, Abuja-Keffi Road, Opp. Conoil	NAS	6/2/2010
Snow Microfinance Bank Limited	MicroFinance Bank		12/13/2007	233, Herbert Macaulay Road, Yaba	LAG	
Solace Microfinance Bank Limited	MicroFinance Bank		1/4/2008	38, Effurun/Sapele Road, Effurun	DEL	1/4/2008
Solid Base Microfinance Bank Limited	MicroFinance Bank	Ekinrin Ade Community Bank Limited	1/2/2008	Okedagba Quarters, Opp. Baptist High School	KOG	
				Adde-Ijumu LGA		
Solid Rock Microfinance Bank Limited	MicroFinance Bank	Oke-Ona Egba Community Bank Limited	1/2/2008	17, Ijemo Agbadu Road, Agoko	OGU	1/2/2008
Sovereign Microfinance Bank Limited	MicroFinance Bank			45, Isolo Road, Mushin	LAG	11/21/2008
SPEC Microfinance Bank Limited	MicroFinance Bank			23, Algeria Street, Wuse Zone 3, Abuja	ABU	4/21/2011
Splendid Microfinance Bank Limited	MicroFinance Bank			75, Aguiyi Ironsi Street, Maitama District	ABU	
Stako Microfinance Bank Limited	MicroFinance Bank	Olodi Apapa Community Bank Limited	1/2/2008	74, Mobil Road, Ajegunle, Apapa	LAG	1/2/2008
Standard Abia Microfinance Bank Limited	MicroFinance Bank			C/O Generic Capital Management, 181 Jubilee Road	ABI	8/22/2009

Standard Microfinance Bank Limited	MicroFinance Bank	Jimeta community Bank Limited	1/2/2008	Bornoma House, No 94 Mohammed Mustapha Way, P.O.Bo	ADA	1/2/2008
Star Microfinance Bank Limited	MicroFinance Bank		9/20/2007	B45, Samson Odugbesan Street,	OGU	9/20/2007
Stateside Microfinance Bank Limited	MicroFinance Bank			2, Creek Road, Apapa	LAG	8/22/2009
Stockcorp Microfinance Bank Limited	MicroFinance Bank			3rd Floor, Awmar Plaza, Gudu District	ABU	5/4/2010
Summit Microfinance Bank Limited	MicroFinance Bank	Kelmarid Microfinance Bank Limited		B2, 317 Real Vision Plaza, Dei-Dei	ABU	2/9/2011
Sunbeam Microfinance Bank Limited	MicroFinance Bank	Efon Alaye Community Bank Limited	1/2/2008	1, Ugbonhan Street, Efon Alaye	EKI	1/2/2008
Sunrise Microfinance Bank Limited	MicroFinance Bank	Eha Alumona Community Bank Limited	1/2/2008	Afor Main Market, Eha-Alumona	ENU	1/2/2008
Support Microfinance Bank Limited	MicroFinance Bank			22, Isheri North Road, Isheri Estate, Ifo-Otta	OGU	8/22/2009
Supreme Microfinance Bank Limited	MicroFinance Bank			38, Zainab Street, Medina Estate, Gbagada	LAG	4/21/2011
Susu Microfinance Bank Limited	MicroFinance Bank	Susu Microfinance Bank Limited	2/1/2007	34, Commercial Avenue, Sabo-Yaba	LAG	
SVP Microfinance Bank Limited	MicroFinance Bank			14/55 Mile 1, Diobu, Port-Harcourt	RIV	11/21/2008
Swift Microfinance Bank Limited	MicroFinance Bank			C/O Generic Capital Management, 181 Jubilee Road	ABI	8/22/2009
Tangale Microfinance Bank Limited	MicroFinance Bank	Tangale Community Bank Limited	1/2/2008	60, Gombe-Yola Road, Billiri P.M.B.0008, Billiri,	GOM	1/2/2008
Taraba Microfinance Bank Limited	MicroFinance Bank			19, Ahmadu Bello Way, Jalingo Shopping Complex	TAR	4/21/2011

Target Microfinance Bank Limited	MicroFinance Bank		1/31/2008	40/42, Nandu Plaza, Ndola Crescent, Off Michael O		ABU	1/31/2008
Tasued Microfinance Bank Limited	MicroFinance Bank	Ilugun Community Bank Limited	1/2/2008	Km 54, Abeokuta/Ibadan Road, Orile Ilugun, Odeda L		OGU	1/2/2008
Taura Microfinance Bank Limited	MicroFinance Bank	Taura Community Bank Limited	1/2/2008	No 1, Main Street, Taura		JIG	1/2/2008
Think Microfinance Bank Limited	MicroFinance Bank			Plot 78, Ralph Shodeinde Street, Lagos House	Central Area	ABU	5/4/2010
Titare Microfinance Bank Limited	MicroFinance Bank	Marine Base Community Bank Limited	1/2/2008	Marine Base Bus Stop, Marine Base		RIV	1/2/2008
Toki Rainbow Microfinance Bank Limited	MicroFinance Bank	Toki Rainbow Community Bank Limited	1/2/2008	68, Nkpogu Street, Off Trans Amadi Industrial Layo		RIV	1/2/2008
Top Mega Trust Microfinance Bank Limited	MicroFinance Bank			Idama Plaza, 23/25 Okumagba Layout, Warri		DEL	4/21/2011
Top Trust Microfinance Bank Limited	MicroFinance Bank			7, Lanla Ibrahim Street, Akoka, Bariga	Akoka, Bariga	LAG	8/22/2009
Topclass Microfinance Bank Limited	MicroFinance Bank	Akwuoma Community Bank Limited	1/2/2008	14, New Market Road, Onitsha, Anambra State		ANA	1/2/2008
Total Trust Microfinance Bank Limited	MicroFinance Bank	Akulu Community Bank Limited	1/2/2008	19, Odunawo Street, Onitsha		ANA	1/2/2008
Touchgold Microfinance Bank Limited	MicroFinance Bank			354, Abeokuta Expressway, Abule Egba		LAG	8/22/2009
Townserve Microfinance Bank Limited	MicroFinance Bank		12/18/2007	C/O Gbasemo Street, Aga		LAG	12/18/2007

Traders Microfinance Bank Limited	MicroFinance Bank	Traders Community Bank Limited	1/2/2008	International Trade Fair Complex, Amuwo Odofin Loc	LAG	1/2/2008
Transizzi Microfinance Bank Limited	MicroFinance Bank	Izzi Community Bank Limited	1/2/2008	Iboko Town, Izzi Local Govt Area	EBO	1/2/2008
Transwealth Microfinance Bank Limited	MicroFinance Bank	Fountain Microfinance Bank Limited		16, Estate Hospital Road, Dallimore Junction	EKI	8/2/2009
Treasure Microfinance Bank Limited	MicroFinance Bank	Oja Odan Community Bank Limited	1/2/2008	Agbala Oko Area, Egbado North Local Govt Area	OGU	1/2/2008
Triple A Microfinance Bank Limited	MicroFinance Bank			Plot 826, Solomon Lar Way, Cadastral Zone B5	ABU	
Truebond Microfinance Bank Limited	MicroFinance Bank		12/13/2007	27, Adeola Adeleye Street, Off Coker Road, Ilupeju	LAG	12/13/2007
Trust Microfinance Bank Limited	MicroFinance Bank	Egba Owode Community Bank Limited	1/2/2008	10, Local Govt Road, Owode-Egba	OGU	1/2/2008
Trustfund Microfinance Bank Limited	MicroFinance Bank	Alaghodaro Community Bank Limited	1/2/2008	60, Adesuwa Road, G.R.A	EDO	1/2/2008
Trusthouse Microfinance Bank Limited	MicroFinance Bank			House 6, 2nd Avenue, FESTAC Town	LAG	8/22/2009
TSM Microfinance Bank Limited	MicroFinance Bank			15A, Adebisi Popoola Street, Lekki Phase I	LAG	11/21/2008
U & C Microfinance Bank Limited	MicroFinance Bank	Choba-UNIPOINT Community Bank Limited	1/2/2008	Choba Park Shopping Complex, University of Port Ha	RIV	1/2/2008
UAM Microfinance Bank Limited	MicroFinance Bank			Plot 144, Oba Akran Avenue, Ikeja	LAG	8/22/2009
UBA Microfinance Bank Limited	MicroFinance Bank		1/4/2008	UBA House, 57, Marina	LAG	1/4/2008

Ubulu Microfinance Bank Limited	MicroFinance Bank	Ubulu Community Bank Limited	1/2/2008	Ogwashi-Uku-Umunede Road, Ubulu-Uku	DEL	1/2/2008
UCB Microfinance Bank Limited	MicroFinance Bank	Umunya Community Bank Limited	1/2/2008	Old Afor Market Square, Umunya, Oyi Local Govt Are	ANA	1/2/2008
Uda Microfinance Bank Limited	MicroFinance Bank	Uda Community Bank Limited	1/2/2008	35, Market Road, Eguare-Ekpoma	EDO	1/2/2008
Udezulu Microfinance Bank Limited	MicroFinance Bank	Udezulu Community Bank Limited	1/2/2008	3, New Midiket Road, Nnewi	ANA	1/2/2008
Udoka Microfinance Bank Limited	MicroFinance Bank		3/6/2008	Nwagu Market Square, Agulu Aniocha Local Govt. Are	ANA	3/6/2008
Uga Microfinance Bank Limited	MicroFinance Bank		1/2/2008	Oye Market Square, P.O.Box 508, Uga, Aguata LGA, A	ANA	1/2/2008
Ugboju Microfinance Bank Limited	MicroFinance Bank		1/2/2008	Ogobia-Ugboju Road, P.O.Box 1260, Otukpo, Benue St	BEN	1/2/2008
Ugborimili Microfinance Bank Limited	MicroFinance Bank		1/2/2008	Ogbo-Ogwu, Abuja Line, Bridge Head Market, Fegge,	ANA	1/2/2008
Ughiewwen Microfinance Bank Limited	MicroFinance Bank	Ughiewwen Community Bank Limited	1/2/2008	1, Hospital Road, OtughievenUghelli South Local G	DEL	1/2/2008
Ujoelen Microfinance Bank Limited	MicroFinance Bank	Ujoelen Community Bank Limited	1/2/2008	No. 1, Sir Ezekiel Ainable Way, Ujoelen Ekpoma Esa	EDO	1/2/2008
Ukpor Microfinance Bank Limited	MicroFinance Bank		1/2/2008	Afor Ukpor Market, Nnewi South Local Government Ar	ANA	1/2/2008
Ulayin Microfinance Bank Limited	MicroFinance Bank	Ulayin Community Bank Limited	1/2/2008	18, Okeyinmi Street,	EKI	1/2/2008
Uli Microfinance Bank Limited	MicroFinance Bank		1/2/2008	KM 45, Onitsha-Owerri Road, P.M.B.144,Uli, Anambra	ANA	1/2/2008
Ultimate Microfinance	MicroFinance	Ipaja Community	1/2/2008	Owode market, Ayobo Road, Ipaja	LAG	1/2/2008

Bank Limited	Bank	Bank Limited					
Umejei Microfinance Bank Limited	MicroFinance Bank	Umejei Community Bank Limited	1/2/2008	124B, Umejei Road	DEL	1/2/2008	
Ummah Microfinance Bank Limited	MicroFinance Bank	Ummah Community Bank Limited	1/2/2008	Sokoto Street, Yola Market, Ummah	ADA	1/2/2008	
Umuawulu Microfinance Bank Limited	MicroFinance Bank	Umuawulu Community Bank Limited	1/2/2008	Awka South Local Govt Area	ANA	1/2/2008	
Umuchinemere Microfinance Bank Limited	MicroFinance Bank		9/20/2007	Plot 5, Ikwuato Street, Uwani	ENU		
Umuchukwu Microfinance Bank Limited	MicroFinance Bank		1/2/2008	8, Bende Road, Umuahia, Abia State	ABI	1/2/2008	
Umuhu Okabia Microfinance Bank Limited	MicroFinance Bank	Umuhu Okabia Community Bank Limited	1/2/2008	United Citizen Hall, Umuhu Okabi Orsu Local Govt A	IMO	1/2/2008	
Umunne Microfinance Bank Limited	MicroFinance Bank		1/2/2008	Igwebuike House, No. 11 Neni Road, Oye Market, P.O	ANA	1/2/2008	
Umuoji Microfinance Bank Limited	MicroFinance Bank	Umuoji Community Bank Limited	1/2/2008	Nkpor/Umuoji Road, Umuoji Idemili North Local Govt	ANA	1/2/2008	
Umu-Oma Microfinance Bank Limited	MicroFinance Bank	Umuoma Community Bank Limited	1/2/2008	Ogbaru Relief Market, Onitsha	ANA	1/2/2008	
UNAAB Microfinance Bank Limited	MicroFinance Bank	UNAAB Community Bank Limited	1/2/2008	University of Agriculture Abeokuta	OGU	1/2/2008	
UNICAL Microfinance Bank Limited	MicroFinance Bank		1/2/2008	University of Calabar, P.M.B. 115, Calabar, Cross	CRO	1/2/2008	

Unicredit Microfinance Bank Limited	MicroFinance Bank		8/10/2007	C/O Olufemi Babajide, 1st Floor, No. 5, Williams S		LAG	8/10/2007
UNIFA Microfinance Bank Limited	MicroFinance Bank			C/O Co-operative Shopping Centre, Olotu Road	Ughelli	DEL	8/22/2009
Unilorin Microfinance Bank Limited	MicroFinance Bank		1/14/2008	Permanent Site of University of Ilorin,		KWA	1/14/2008
UNIMAID Microfinance Bank Limited	MicroFinance Bank		2/21/2008	University of Maiduguri Campus, maiduguri		BOR	2/21/2008
Unique Trust Microfinance Bank Limited	MicroFinance Bank	Umuaka Community Bank Limited	1/2/2008	Umuaka Youth Crusade, Civic Hall Building Afor Um		IMO	1/2/2008
United Microfinance Bank Limited	MicroFinance Bank	United Community Bank Limited	1/2/2008	No. 2, Udumoto Quarters, Ekpan, Effurun		DEL	1/2/2008
United People Microfinance Bank Limited	MicroFinance Bank	United People Community Bank	1/2/2008	18, Pump Street, Jos, Plateau State		PLA	1/2/2008
UNIUYO Microfinance Bank Limited	MicroFinance Bank			Akwa Ibom		AKW	11/21/2008
UNN Microfinance Bank Limited	MicroFinance Bank	UNN Community Bank Limited	1/2/2008	University of Nigeria, Nsukka		ENU	1/2/2008
Unyogba Microfinance Bank Limited	MicroFinance Bank	Unyogba Community Bank limited	1/2/2008	1, Alloma Road, Opposite Market Square, Ejule, Ofu		KOG	1/2/2008
Up-Henry Microfinance Bank Limited	MicroFinance Bank			C/O 2nd Floor, 31, Igboosere Road, Near City Hall	Lagos Island	LAG	8/22/2009
Urban Microfinance Bank Limited	MicroFinance Bank	Ogui Urban Community Bank Limited	1/2/2008	1, Aloma Road, Opp. Market Square Ejule, Ofu Local		KOG	1/2/2008
Ure Microfinance Bank Limited	MicroFinance Bank	Ure Community Bank Limited	1/2/2008	Kaduna-Lissam, Takum		TAR	1/2/2008

Uromi Microfinance Bank Limited	MicroFinance Bank	Uromi Community Bank Limited	1/2/2008	76, Ubajaja Road, Uromi		EDO	1/2/2008
Utako Microfinance Bank Limited	MicroFinance Bank			Utako District, Abuja		ABU	12/12/2007
Utuh Microfinance Bank Limited	MicroFinance Bank	Utuh Community Bank Limited	1/2/2008	Oye Market Square, UtuhNnewi South Local Govt Are		ANA	1/2/2008
Uvuoma Microfinance Bank Limited	MicroFinance Bank			4, Holy Ghost Road, Umuahia	Umuahia	ABI	8/22/2009
Uvuru Microfinance Bank Limited	MicroFinance Bank	Uvuru Community Bank Limited	1/2/2008	Orie Ovuru Market Square, Mbaise		IMO	1/2/2008
Uvwie Microfinance Bank Limited	MicroFinance Bank	Uvwie Community Bank Limited	1/2/2008	214, Effurun - Warri Road, By Jakpa Junction, Effu		DEL	1/2/2008
Uzundu Microfinance Bank Limited	MicroFinance Bank			St. Mary's Catholic Parish Compound, Arthur Eze	Awka	ANA	8/22/2009
Uzuakoli Microfinance Bank Limited	MicroFinance Bank	Uzuakoli Community Bank Limited	1/2/2008	37, Market Road, Uzuakoli		ABI	1/2/2008
VCL Microfinance Bank Limited	MicroFinance Bank		2/6/2008	15, Oladosu Street, Off Olayinka Bamgbose Street, Lagos		LAG	2/6/2008
Verdant Microfinance Bank Limited	MicroFinance Bank					LAG	4/21/2011
Vineland Microfinance Bank Limited	MicroFinance Bank			Abitos House, Sangotedo, Lekki-Epe Expressway	Sangotedo	LAG	8/22/2009
Vining Microfinance Bank Limited	MicroFinance Bank			Oba Akinjobi Road, G.R.A Ikeja	Ikeja	LAG	
Visa Microfinance Bank Limited	MicroFinance Bank			1st Floor, Outer Left Wing, Gouba Plaza	Utako-Abuja	ABU	8/22/2009
Viva Microfinance Bank Limited	MicroFinance Bank			Lagos		LAG	4/21/2011
Waila Microfinance Bank Limited	MicroFinance Bank			7, Chrisgold Plaza, Kefi Road, Mararaba		NAS	4/21/2011

Wapo Microfinance Bank Limited	MicroFinance Bank				Kogi			KOG	4/21/2011
Warji Microfinance Bank Limited	MicroFinance Bank				Warji, Bauchi			BAU	4/21/2011
Wase Microfinance Bank Limited	MicroFinance Bank			1/2/2008	1, Opposite Emir's Palace, Wase Local Govt Area			PLA	1/2/2008
Wealthbasket Microfinance Bank Limited	MicroFinance Bank				19B, Layi Ajayi-Bembe's Street, Parkview, Ikoyi	Ikoyi		LAG	8/22/2009
Wealthstream Microfinance Bank Limited	MicroFinance Bank				213, Kirikiri Road, Olodi-Apapa	Olodi-Apapa		LAG	8/22/2009
Well Woman Microfinance Bank Limited	MicroFinance Bank				2nd Flr, Right Inner Wing - NAOWA Shopping Plaza	Asokoro District		ABU	3/22/2010
West-End Microfinance Bank Limited	MicroFinance Bank			1/2/2008	11, Community Road, Igbesa, Ado Odo Local Govt Are			OGU	1/2/2008
Wetland Microfinance Bank Limited	MicroFinance Bank			1/2/2008	38, Deco Road, Warri			DEL	1/2/2008
Woliwo Microfinance Bank Limited	MicroFinance Bank			5/2/2008	10, Akunnia Njote Street, Woliwo Layout, Onitsha,			ANA	1/2/2008
Women Development Initiative MFB Limited	MicroFinance Bank			11/16/2007	3rd Floor, Kano Foundation Building, Bayero Univer	Kano		KAN	11/16/2007
Wudil Microfinance Bank Limited	MicroFinance Bank			1/2/2008	No. 2, Aliu Dandarman Road, Wudil			KAN	1/2/2008
Yabo Microfinance Bank Limited	MicroFinance Bank			1/2/2008	No. 3, Shehu Shagari Road, Yabo			SOK	1/2/2008
Yaf Microfinance Bank Limited	MicroFinance Bank				3A, Och'Idoma Road, Off Otukpo-Enugu Expressway	Otukpo		BEN	

Yeneng Microfinance Bank Limited	MicroFinance Bank	Aten Community Bank Limited	1/2/2008	Old Maternity Road, Ganawuri Riyom Local Govt Area	PLA	1/2/2008
Yerwa Microfinance Bank Limited	MicroFinance Bank	Yerwa Community Bank Limited	1/2/2008	No. 15, Ahmadu Bello Way	BOR	1/2/2008
Zigate Microfinance Bank Limited	MicroFinance Bank		1/14/2008	12, Station Road, Agbado	OGU	
Zion Microfinance Bank Limited	MicroFinance Bank		1/2/2008	144, Benue Crescent Wadata, Makurdi, Benue State	BEN	1/2/2008
Zuma Microfinance Bank Limited	MicroFinance Bank			Suleja, Niger	NIG	4/21/2011
Zurmi Microfinance Bank Limited	MicroFinance Bank	Zurmi Community Bank Limited	1/2/2008	Market Road, Zurmi	ZAM	1/2/2008