

2019 NMP Bi-annual Meeting Sends Forth a Key Regulator

with Christopher Wenzel as visiting participant



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The Nigerian Microfinance Platform (NMP) holds bi-annual meetings to address issues of growth and development within the microfinance sector through its active six working groups.

The NMP's final meeting for year 2019, which held on September 19th in Abuja, marked the last meeting of the convener, Mrs. Tokunbo Martins, Director of Other Financial Institutions Supervision Department of the Central Bank of Nigeria, as a regulator.

The momentous meeting, hosted in the Federal Capital

Territory by Amju Unique MFB Warri, attracted 57 attendees which included Christopher Wenzel, the Head Cooperation of the German Embassy as well as notable stakeholders of the Nigerian Microfinance sector from the German Society for International Cooperation (GIZ), the Central Bank of Nigeria (CBN), the Nigerian Deposit Insurance Corporation (NDIC), and various Microfinance Banks with records of high performance.

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PARTICIPATION

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Goodwill Message from Christopher

Wenzel - Head Cooperation of the German Embassy

Mr. Christopher Wenzel, in a goodwill message to members of the NMP, stated that access to finance is crucial to economic growth, emphasizing that Germany has for many years been very active in supporting microfinance banks, the commercial banks and in fact the entire financial services system to provide more access to finance.

He expressed his gratefulness for the invitation to attend the meeting as it was an opportunity to learn more about the sector.

Mr. Wenzel said that he is impressed by the joint effort of various stakeholders in microfinance on the platform to move the sector forward. He thus wished the members fruitful and quality deliberations.



▪ **Above:** The out-going CBN Director, Mrs. Tokunbo Martins providing 2018/2019 loan statistics

▪ **Cover photo:** left -right

1. Dr. Godwin Ehigiamusoe - MD/CEO of LAPO MFB,
2. Mr. Christopher Wenzel (Center) - Head Cooperation of the German Embassy
3. Mr. Bernhard Vester (right) – Director for Africa, AFOS Foundation



GIZ representatives sharing insights with Christopher, Daniela(right) and Aves(left).



The Convener, Mrs. Martins anchoring the meeting



Working Group session



NMP meeting had a multi-stakeholder attendance of 57



The meeting climaxed with a dinner party in honour of Mrs. Tokunbo Martins, the convener of the NMP meetings as she retires from the Central Bank of Nigeria after 30 years of conscientious service.



Statistics from the Central Bank of Nigeria

Mrs. Tokunbo Martins, the outgoing Director for Other Financial Institutions Supervision Department (OFISD) of the Central Bank of Nigeria reiterated that Competition within the financial services industry is becoming more intense. With the introduction of target loan to deposit ratio of 60% within the sector comes a drive for retail loans from commercial banks. She however stated that there are many initiatives in place to de-risk and encourage lending.

She also mentioned that statistically, within the microfinance sub-sector, loans have grown by 103% in 2019 with currently 13.29 million facilities advanced to 10million customers, compared to same period in 2018 whereby 6.56 million facilities were given to 4.63 million customers. However, these figures are being controlled mostly by the top 10 MFBs out of 900 MFBs in Nigeria, who have about 67% of the market share and an average NPL ratio of about 8%. Hence the need to leverage on financial technology to produce more micro-focused lending.

From the Microfinance Learning & Development Center (MLDC)

In its report, the Microfinance Learning and Development Centre (MLDC), set up to address capacity building deficiency in the sector stated that it was focusing on thematic areas such as Risk Management, Corporate Governance, Regulation and Digital Finance. New initiatives on the table of the institution are:

- A 3 weeks highly intensive Microfinance Masterclass program in collaboration with Uganda Martyrs University (UMU).
- An Institutional Research with the university has been proposed and accepted. The University Senate council is expected to revert on modalities for collaboration.
- The MLDC's Learning Management System, an e-learning Platform has been developed and loaded with a test course, full rollout will be done in stages starting with AFOS Agric industry e-modules currently under development.

NMP Operates Through 6 active Working Groups to Impact the Sector



The 6 active Working Groups (**Rural Agricultural Finance WG, Efficiency and Social Performance WG, Corporate Governance WG, Associations WG, Savings Mobilisation WG and Capacity Building WG**), which are the operational organs through which NMP can impact the sector, presented their various reports and agendas and were each mandated by the general assembly to have yearly projects and hold quarterly meetings to implement such projects.

Presentation from the Nigerian Deposit Insurance Corporation

The Director for Special Insured Institutions Department of the Nigerian Deposit Insurance Corporation, Mr. Joshua Etopidiok in his paper presentation urged Microfinance banks to keep improving on strategies for sustainable growth. He called for increased performance in the areas of products development to grow savings mobilization, financial technology and uncollateralized micro lending to micro business owners. He also emphasized on the need for MFBs to strengthen their risk management practices, capital adequacy through improved asset & liability management, and corporate governance which supports good succession planning. This purpose-driven strategy, he said will support growth in the industry.

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