



Analysis of comments from the bankers' forum

Question: The survival of Micro Finance Banks appears to be under threat. What do you think are the factors responsible for that and what are your proposed solutions?

Responses: 18

However, the following issues raised need to be looked into:

S/No	Challenges	Opportunity	Solutions	Prospect
1	Managements of MFBs are inefficient and inexperience	The opportunities that are provided by the rural dwellers and petty traders should be explored	the regulatory authority should be up and doing to stem the ugly threats of failures in this sub-sector	The regulatory body should checkmate the activities of the MFBs with the view of achieving its main goals.
2	Reform is imminent because of vulnerability		They need to re-focus their drive to the sector of the economy which comprises mainly of artisans, market women/petty traders among other.	They should refocus on the rural areas to generate enough clients for sustainability
3	Inadequate supervision and guide by the regulatory bodies.		operational modalities of MFBs need to be redefined	
4	Their responsibilities not well defined		Train and Professionalise the staff of the sector to improve their efficiency	
5	Big Banks compete for the businesses of the MFBs.		Adequate training for staff would improve attraction for job seekers.	
6	Low capital base		This sub-sector needs to be adequately regulated by CBN and other regulatory agencies	
7	No code of conduct to facilitate corporate governance			

Question: The truth about getting loans: A lot of people believe that it is easier for a camel to pass through the eye of a needle than get a loan in Nigerian banks. What is your opinion?

Responses:	124		
Categories: Yes	109	87.9%	
No	14	11.3%	
Neutral	1	0.8%	

However, the following issues were raised which they suggested should be looked into:

S/No	Weakness	Threat	Prospect	Norm
1	loan appraisal and monitoring after disbursement were grossly inadequate	loan from banks is perceived as national cake	proper feasibility study for the business for which the loan is requested needs to be submitted and considered	Our society lacks honesty, integrity, and financial discipline,
2	Banks prefer giving loan to businesses owned by foreigners instead of the businesses owned by Nigerian counterparts	There is conflict of interest between bankers and customers	Review the cannons of lending or electronic credit rating system to make loan administration more efficient	There is character/value depletion in the society
3	Poor regulatory system within the financial industry did not help the situation.	Some borrow loan with the mind not to repay	The business/investment structure should be improved upon to attract the banks	. Unsound professional and ethical practices
4		loan diversion is critical	The customers need proper education on credit facilities	
5		customers in desperation to get this facility agree to terrible terms, conditions	Improve the regulatory system to support effective credit facilities/administration	
6		Conditions for loan are very stringent		