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## Yunus criticizes profiteering in Nigerian microfinance

Wednesday, September 07, 2011  
Microdinero Staff





First Bank of Nigeria

Muhammad Yunus spoke about microfinance at a conference in Lagos.

Muhammad Yunus, founder of Bangladesh's Grameen Bank, came out to criticize excessive commercialization of microfinance in Nigeria during a recent visit there.

The Nobel laureate said the microcredit sector was seeking to make a profit at the expense of the poor.

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Invited by First Bank Nigeria, Yunus spoke in Lagos on microfinance as a tool for reducing poverty and spurring economic growth.

"Microfinancing is non-conventional banking, it is not an extension of conventional banking," Yunus said at a conference, Business Day newspaper reported.

"Conventional banking is banking for the rich, whereas microfinancing is banking for

the poor."

He also spoke about his experience at Grameen Bank. "What we did is look at conventional banking and do it the opposite way. Conventional banking is for the rich so we decided it should be for the poor. Conventional banking is for men; we set up Grameen Bank for women. Conventional banking is set up in the city, whilst microfinance bank is for the rural area. Conventional asks for collateral, we do not ask for collateral."

Stephen Olabisi Onasanya, managing director of First Bank Nigeria, agreed with Yunus.

"It is clear from the deliberations here today that what we practice in Nigeria is not microfinancing," he told the newspaper. Microfinance "is not about the rush to make profit, it has got to provide solutions to problems," he said.

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