

RELATIONSHIP BETWEEN OUTREACH AND SUSTAINABILITY OF MICROFINANCE BANKS IN SOUTHWESTERN NIGERIA

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Abstract: The main purpose of this study is to ascertain the existence (or not) of a relationship between outreach and sustainability of microfinance banks'. The methodology employed in this study is the econometric method and Granger causality test. The variables under investigation are microfinance banks' outreach (OSS) and sustainability (OUTR). The result of the test showed that for the periods, 2005-2010, there is a strong positive relationship between sustainability and outreach. This suggests that for greater outreach to be attained, emphases should be placed on improving the microfinance institutions' sustainability. Further effort was made to check the causality relationship that exist between the two variables by employing the VAR-Granger causality at two lag periods. The results showed that causality runs from sustainability (OSS) to outreach (OUTR) in a uni-directional manner. The result also implies that the opposite causality is not valid. Various studies as reviewed in the literature came out with the result that sustainability significantly lead to achieving outreach goal. Hence, the study through the empirical findings maintain the fact that the causality that run from sustainability to outreach is an indication of relationship showing that feedback exists from sustainability to outreach of microfinance banks' in Nigeria.

Keywords: Micro-finance Banks'; Micro and Small Enterprises; Outreach; Sustainability; South-Western Nigeria

INTRODUCTION

Robust economic development cannot be achieved without putting in place well focused programmes aimed at reducing poverty through empowering the people by increasing their access to factors of production, especially credit (CBN, 2005). Among the factors that are theoretically expected to promote rapid economic development in an economy is finance. Finance has also been regarded as an important ingredient in enhancing growth and development of micro and small enterprises (Levy, 1993). Indeed many studies have found a direct and positive relationship between finance and growth of Micro and Small Enterprises (Foster and Gupta, 2003; Kenji and Yuji, 2006; Radji and Ajani, 2007). A number of institutions provide finance to micro and small enterprises to expand their businesses, as well as low income groups and the poor to engage in economic activities in Nigeria. These include commercial banks, non-bank financial institutions, Non-Governmental Organizations (NGOs), rotating savings and credit associations (ROSCAs) and government institutions. However, evidence from the literature shows that commercial

banks rarely lend to the low income groups and Micro and Small Enterprises (MSEs) since they emphasize collateral which most low income groups and MSEs lack, coupled with high interest rate associated with bank lending in Nigeria (Okereke-Onyiuke, 2005). Also for members of ROSCA, not all their credit needs were satisfied within the association (Magil, 1994; Evans, 2001). Since the existing financial institutions structure could not meet the required credit need of the poor and the fact that Nigeria, like most other developing countries, is in serious need of sustainable economic growth, the Nigerian government has vigorously pursued poverty reduction programmes through direct and indirect involvement in micro finance institutions, to cater for the financial needs of the so-called deprived groups.

The success of microfinance institutions in achieving their development objectives has been revealed by many studies (Ledgerwood, 1999; Robinson, 2001; Khandker, 2003; Magnus, 2005; Ukeje, 2005; Woller and Schreiner, 2006). However, their positive impact on the socio-economic welfare of the poor can only be sustained if the institutions can achieve a good financial and outreach performance. In other words, the success of microfinance institutions can be attained through its sustainability and outreach. As observed by Monduch (2005), one way that a microfinance institution can attain sustainability is to increase viability by improving outreach. In fact, high sustainability is synonymous with high outreach (Yaron, 1999). This is particularly so because the viability of any microfinance institutions, as well as the sustainability of its services depend in part, on the volume of internal resources that the microfinance institutions can generate, which is a function of the level of outreach achieved by the microfinance institutions. Sustainability means the ability of the organization to grow and provide services on a long-term basis with either its own resources or debt secured from commercial sources, which the organization must have ability to repay and without relying perpetually on subsidies (Meyer, 2002). Outreach according to Yaron (1999), means the extent to which microfinance institutions provide financial services to large number of clients. Various studies, both quantitative and qualitative document increased income and assets and decreases in vulnerability of microfinance clients for using microfinance institutions products (Wright, 1999; Chen and Snogross, 2001). Indeed outreach is seen as 'a social benefit of microfinance' aiming at improving the wellbeing of the poor (Chen and Snogross, 2001). Indeed, many studies conducted on microfinance institutions have been on its effects on poverty alleviation in both developed and developing nations, but very few have been on the determinants of their sustainability and outreach. Moreover, few studies so

conducted have been carried out mostly in advanced economies (such as the United States and United Kingdom) and growing economies like Asia and Latin America (Yaron, 1994; Chaves and Gonzales-Vega, 1996; Christen, 1998; Wool Cock, 1999). The indication from the literature is that the issue of relationship between outreach and sustainability objectives of the microfinance institutions is yet to be settled as there is no general consensus on the matter. However, many authors have identified sustainability objective as a requisite condition for the attainment of outreach objective (Rhyne and Otero, 1992; Otero and Rhyne, 1994; Woller, 2002). Their conclusion is that sustainability is prior to outreach, which implies a direction of causation flowing from sustainability to outreach. Since the issue of relationship between sustainability and outreach is still inconclusive in the literature, one way to resolve this issue is to further subject the issue to empirical scrutiny.

In this study we examine the relationship between outreach and sustainability of microfinance banks'. The studies that have been undertaken in the microfinance industry in Nigeria have not been comprehensive in terms of the institutions covered or the depth of analysis. This study contributes to literature by using econometric methods to examine the issue. Moreover, the study uses secondary panel data. Specifically, the study attempts to find answer to the following question: *Is there any relationship between microfinance institutions' sustainability and outreach in Nigeria?*

The current study is aimed at finding out the relationship between microfinance banks' sustainability and outreach in Nigeria. Many governments in developing countries established rural financial programs and institutions to resolve perceived market failures. These failures were caused by a shortage of short- and long-term credit at interest rates low enough to encourage economic development (Gurgand, Pederson, and Yaron, 1996; Gonzalez-Vega, 1994). Microfinance institutions were established to respond to this priority, and they included in their agenda tasks such as poverty alleviation as well as increased agricultural production. The term sustainability and outreach are extensively used in the field of microfinance. However, the exact relationship between sustainability and outreach variables is not exactly known because the literature is unresolved on the main determinants of microfinance institutions' sustainability and outreach. Basically, as it relates to microfinance institutions' sustainability, the main determinants are real effective lending rates sources of funds, average loan size and loan repayment rates. The major determinants of microfinance institutions' outreach include

average loan size, loan repayment rate, cost of loan delivery, salaries and wages and level of inflation or macroeconomic environment. We find out in this study the determinants of microfinance institutions' sustainability and outreach in Nigeria, as well as the relationship between microfinance institutions' sustainability and outreach in Nigeria. The following hypothesis is formulated to guide in finding answers to the research questions:

H₀₁: There is no significant relationship between microfinance banks' sustainability and outreach.

In this study, we examine the relationship between microfinance banks' sustainability and outreach, using secondary panel data. We capture microfinance institutions' sustainability by the difference between total income and total expenses of microfinance banks covered in the study. The microfinance institutions' outreach is measured by the total number of clients served by the microfinance banks.

Section II reviews the literature. The research design, model specification, the data used in the analysis, the sample selection, procedure are contained in Section III. Section IV captures the data analysis and research findings while section V summarizes and concludes the paper.

REVIEW OF LITERATURE

The definitions of microfinance institutions proposed by some scholars and organizations are seemingly different from one another. However, the essence of the definitions is usually the same, in which microfinance refers to the provision of financial services, primarily savings and credit, but also other financial services to poor and low-income households that do not have access to commercial banks loans. The term microfinance according to Ledgerwood (1999) refers to the provision of financial services (generally savings and credit) to low-income clients. The clients are often identified as traders, street vendors, small farmers, service providers (hairdressers, rickshaw drivers), and artisans and small producers, such as blacksmiths and seamstresses. Aklilu (2002) defines microfinance as the provision of a broad range of financial services such as deposits, loans, payment services, money transfers, and insurance to poor and low-income households and their micro-enterprises. The definition of Aklilu includes low income households as well as those below the poverty line since there are a significant number of low-income households that are not below the poverty line, but have limited access to financial services, especially in rural areas. While Christen and Drake (2002) refer to microfinance as the provision of credit to the poor who have no access to commercial banks, in order to reduce poverty and to help the poor with setting up

their own income generating business. There are three features that distinguish microfinance products from other formal financial products. These are: (i) the smallness of loans granted or savings collected; (ii) the absence of asset-based collateral; and (iii) simplicity of operation. The Central Bank of Nigeria recognizes that the existence of informal institution which is under its control and supervision through policy formulation would not only enhance monetary stability, but will expand the financial infrastructure of the country to meet the financial requirement of the micro, small and medium enterprises.

Sustainability can be viewed from an institution or project perspective. From an institution perspective sustainability is taken to mean full cost recovery or profit making, and is associated with the aim of building microfinance institutions that can last into the future without continued reliance on government subsidies or donor funds (Christen, 1997), and from a project perspective sustainability is about the life of a project beyond a period during which its finances come from external sources, such as donors (Ledgerwood, 1999). Therefore, sustainability is a question of self-reliance in the medium to long term. In microfinance literature, sustainability of a microfinance institution means its ability to exist for a long time providing microfinance services to large number of clients without subsidies. The sustainability of micro finance institutions as explained cannot be achieved if the institutions do not meet the needs of the people that they are designed to help (Snow, 1999).

Also, outreach can be viewed from both a narrow and broad perspective. From a narrow perspective, outreach is the effort by microfinance institutions to extend loans and financial services to an ever-wider audience (breadth of outreach) and especially toward the poorest of the poor (depth of outreach) (Conning, 1999). In this definition, outreach is reflected as an effort made to provide loans and financial services to the poorest of the poor. From a broad perspective, outreach is the social value of the output of a microfinance organization in terms of depth, worth to users, cost to users, breadth, length, and scope. In this definition outreach is seen in the value of output of a microfinance institution. In other words, a microfinance institution must first produce an output, which the latter authors do not indicate, and the value of the output is what is considered outreach.

The literature on relationship between sustainability and outreach of microfinance show that one way that a microfinance bank can attain sustainability is to increase viability by improving outreach (Monduch, 2005). Yaron (1999) opined that high sustainability is synonymous with high outreach. This is particularly

so because the viability of any microfinance institutions, as well as the sustainability of its services depend in part, on the volume of internal resources that the microfinance institutions can generate, which is a function of the level of outreach achieved by the microfinance institutions. However, Ledgerwood, 1999; Robinson (2001) argue that there are disputes in the literature on the link between microfinance institutions’ sustainability and outreach to the poor. While some argue that outreach negates sustainability (Marr, 2003; Olivares-Polanco, 2005; Cull, Demirgüç-Kunt and Morduch, 2007), others argue in support of positive relationship as they both complement each other (Christen, Rhyne and Vogel, 1995; Rhyne, 1998; Conning, 1999; Woller, 2002; Morduch, 2005). Various studies, both quantitative and qualitative document increased income and assets and decreases in vulnerability of microfinance clients for using microfinance institutions products (Wright, 1999; Chen and Snogross, 2001). The positive impact of microfinance banks on the socio-economic welfare of the poor or clients can only be sustained if the institutions can achieve a good financial and outreach performance.

MATERIAL AND METHOD

Research Design

We employed secondary data in this study. The secondary panel data is collected from 80

purposely selected microfinance institutions in Lagos and Ondo state for a period of six years from 2005-2010. Yearly microfinance level data was also extracted from the portfolio and savings registers, balance sheet and income statement of individual microfinance institution. All the microfinance institutions operating in Lagos and Ondo States chosen as the study area were considered as the study population. The selection was based on the concentration of microfinance institutions in these states. For instance, Lagos State has the highest concentration of microfinance institutions, 140 out of 720 microfinance institutions operating in the country (Central Bank of Nigeria, 2010) and is an urban and industrial state. Also, the three-tier microfinance institutions were present in the state. On the other hand Ondo State has 21 registered microfinance institutions (Central Bank of Nigeria, 2010). Ondo State is an agrarian state, albeit, not having the lowest concentration of microfinance institutions but has the present of three-tier microfinance institutions. The total population of the study is 161 microfinance institutions made up of 140 and 21 microfinance institutions in Lagos and Ondo States respectively. The analysis of secondary panel data obtained was done using econometric analysis and Granger causality test. The econometric analysis employed is the generalized least squares method.

Model Specification: In order to examine the empirical relationship between sustainability and outreach of microfinance institution, the panel empirical model is specified as:

$$OSS_{it} = \alpha + OUTR_{it}\beta_{it} + \theta_i + \lambda_t + \varepsilon_{it} \dots \dots \dots Eq.(3.1)$$

Where ε_{it} are the error terms for

$i=1, 2, \dots, M$ cross-sectional units observed for dated periods $t=1, 2, \dots, T$. The α parameter represents the overall constant of the model while θ_i and λ_t represent cross-section or period specific effects (random or fixed).

However, to estimate the direction of causality between sustainability and outreach of the microfinance institution, the Granger Causality model is specified as follow:

$$OSS_{it} = \alpha_0 + \sum_{k=1}^{k_1} \alpha_{11_{it}}^k OSS_{it-k} + \sum_{k=1}^{k_2} \alpha_{12_{it}}^k OUTR_{it-k} + \varepsilon_{1it} \dots \dots \dots Eq.(3.2)$$

$$OUTR_{it} = \alpha_0 + \sum_{k=1}^{k_1} \alpha_{21_{it}}^k OUTR_{it-k} + \sum_{k=1}^{k_2} \alpha_{22_{it}}^k OSS_{it-k} + \varepsilon_{2it} \dots \dots \dots Eq.(3.3)$$

Hence, equations 3.2 and 3.3 show

the estimated model for measuring the direction of causality between sustainability and outreach of the microfinance banks institution. By changing OUTR and OSS in (Eq.3.2), it can be tested whether a simple causal relation from OSS to OUTR exists.

Where OUTR = Outreach measures total number of clients served by microfinance institutions. Data for OUTR was obtained from the clients registers and portfolio reports/loan beneficiaries. This is scale or breadth of outreach adopted in this study.

OSS= Operational sustainability measures the extent at which the microfinance institutions covers its operating expenses from operating income. OSS was obtained from the income statements and measures as total income minus total expenses (i.e. total profit).

RESULTS AND DISCUSSIONS

The result in Table 4.1 in appendix 1 shows the pooled OLS estimate of the relationship between sustainability (OSS) and outreach (OUTR). The results show a positive relationship exists between microfinance institutions' sustainability and outreach. The value of coefficient is 0.8606 and is significant at 5 percent level. This indicates that there is a strong positive relationship between sustainability and outreach. This suggests that for greater outreach to be attained, emphases should be placed on improving the microfinance institutions' sustainability. This result confirms the views of Woller and Schreiner (2006) who find a positive relationship between sustainability and outreach in their study of 28 microfinance institutions in Bangladesh.

The direction of relationship between sustainability and outreach is determined using granger causality test. It should be noted that causality does not necessarily suggest exogeneity in the sense that the result gotten may not explain whether the relationship is positive or negative. Literature have suggested that the relationship between sustainability and outreach is not clear. In any case the followin result shown in Table 4.2 Appendix 2 reveals the direction of causality between sustainability and outreach at lag two (2).

Following the result in Table 4.2, the null hypothesis that sustainability (OSS) does not Granger Cause outreach (OUTR) is rejected and it is safe to conclude that causality runs from sustainability (OSS) to outreach (OUTR) in a uni-directional manner. In the result shown in Table 4.2, the null hypothesis that outreach (OUTR) does not Granger Cause sustainability (OSS) cannot be rejected. This also implies that the opposite causality is not valid. Granger causality results reported in Table 4.2 suggests that sustainability is prior to outreach which implies a direction of causation flowing from sustainability to outreach. Sustainability measured in term of profitability enhances the microfinance institutions capacity to reach out to more clients. This finding is consistent with Olivares-Polanco (2005) which established that sustainability significantly lead to achieving outreach goal. The conclusion from this finding is that significant feedback exists from sustainability to outreach of microfinance institutions in Nigeria.

SUMMARY, CONCLUSION AND RECOMMENDATIONS

Summary of findings:

The objective of this study is to find out the existence of (if there is) a relationship between sustainability (OSS) and outreach (OUTR) of microfinance banks in Nigeria. This study was motivated by the desire to investigate the sustainability and outreach of microfinance banks in Southwestern Nigeria as a major policy tool for promoting access to financial services, poverty alleviation and financial systems development. The methodology employed in this study is the econometric method and Granger causality test. The secondary data collected and analyzed revealed that, there is a positive relationship between microfinance banks' sustainability and outreach in SouthWestern Nigeria. Further effort was made to check the causality relationship that exist between the two variables by employing the VAR-Granger causality at two lag periods as could be seen in Table 4.2. The results showed that unidirectional causality was seen running from sustainability (OSS) to outreach (OUTR), while outreach (OUTR) does not Granger cause sustainability (OSS).

Conclusion and Recommendation:

From the analysis of the data collected and interpretation of results generated, the study revealed that positive relationship exist between sustainability and outreach of microfinance institutions. The conclusion from this finding is that significant feedback exists from sustainability to outreach of microfinance institutions in Nigeria. Therefore, microfinance banks are encouraged to increase their outreach by providing relatively small loans. The small loan sizes can reach more clients and therefore achieve a greater outreach. However, this will require the microfinance institutions to have in place effective governance systems to promote efficiency. To improve outreach, more private sponsored microfinance institutions need to be established. However, it is important to emphasize that promotion of outreach *per se* is not consistent with building a sustainable financial system

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APPENDIX 1**TABLE 4.1** Regression Model Estimate: Relationship between Outreach (OUTR) and Sustainability (OSS)

Dependent Variable: OUTR	POOLED OLS
CONST	3.4923 (0.00001)
OSS	0.0606 (0.00620)
RELR	-0.1333 (0.00001)
LALZ	0.2797 (0.00001)
LCLD	-0.0720 (0.00028)
LDER	0.0015 (0.43106)
LAGE	0.0654 (0.8251)
LRR	0.0050 (0.01025)
LWL	0.1128 (0.00001)
No of observations	433
Number of groups	80
R-Sq:	0.641
Adj. R-Sq	0.634
<u>Durbin Watson</u>	<u>1.4067</u>

Source: Authors' Calculation

APPENDIX 2

TABLE 4.2: Granger Causality Tests

Pairwise Granger Causality Tests

Included Observations: 264

Sample: 2005 2010

Lags: 2

Null Hypothesis:	Obs	F-Statistic	Probability
LOG(OSS) does not Granger Cause LOG(OUTR)	264	23.38590	0.00123
LOG(OUTR) does not Granger Cause LOG(OSS)		0.25222	0.77727

Source: Authors Calculation

APPENDIX 3

List of Microfinance Institutions Studied For Sustainability and Outreach Model

Lagos State

S/N	NAME OF Microfinance institutions	ADDRESS
1.	ACME MFB	2, Ojuelegba Road, Surulere Lagos
2.	AGUDA TITUN MFB	21, Shonola Street, Aguda Titun, Ogba Lagos
3.	ALL STAR MFB	6, Ilamoye Street, Ijeshatedo Lagos State
4.	BISHOPGATE MFB	39, Agege Motor Road Moshalasi Surulere Lagos
5.	BOWMAN MFB	1, Bode Onifade Street, Ewu-Tuntun Oshodi-Isolo Lga, Lagos
6.	BRISTOL MFB	44, Abiodun Street, Mushin Lagos
7.	CARDINAL ROCK MFB	83, Iju Road, Ifako Ijaiye Lagos
8.	CITADEL MFB	1, Abbi Avenue, Badary Express Way, Orile Iganmu Lagos
9.	CITIGATE MFB	116/118 Ago Palace Way, Okota Isolo Lagos
10.	COCONUT AVENUE MFB	2, Tex Olawale Crescent, Coconut Bus Stop Apapa Lagos
11.	COMMON BENEFIT MFB	1, Community Road, Oke Ira Ogba, Ikeja Lagos
12.	COMPLETE TRUST MFB	5/7 Dobblin Avenue, Alaba International Market, Ojo Alaba Lagos
13.	DYNAMIC MFB	16a, Pipeline Road Idimu Lagos
14.	EDEN MFB	Suite 3c Prince's Court Ahmed Onibudo Victoria Island Lagos
15.	ESTATE MFB	31/311, Road Gowon Estate, Ipaja Lagos
16.	FESTAC MFB	207, Road B/C Close Festac Town Lagos
17.	FIYINFOLU MFB	1, Emmanuel High Street, Ogudu Road Ojota Lagos State
18.	FREEDOM MFB	445, Agege Motor Road, Bolade Oshodi Lagos
19.	GIDEON TRUST MFB	6, Soloki Street, Aguda Surulere Lagos
20.	GLORY MFB	Plot 295, Ijgun- Ikotun Road Ijgun Lagos P.O.Box 1503, Ikeja Lagos
21.	GOLD MFB	Block C Suite 1 & 2 Local Airport Office complex 118, Agege Motor Road, By Ikeja Along Bus Stop, Ikeja Lagos
22.	GOLD TRUST MFB	55, Shogbamun Street, Bariga Lagos
23.	HAGGAI MFB	53, Bode Thomas Street, Surulere Lagos State
24.	HAVILAH MFB	47, Old Ojo Road, Badagry Express Way P. O Box 1325 Festac Town Lagos
25.	HEBRON MFB	Mafa House 4, Fola Agoro Street, Somolu P. O Box 4803, Somolu Lagos
26.	HERITAGE (ALAPERE) MFB	7, Oluwakemi Street, Alapere Ketu Lagos
27.	HIGH STREET MFB	1, Okesalu Street, Ikotun Lagos
28.	I.C MFB	107, Ogunlana Drive PMB 3007, Surulere Lagos
29.	IKORODU DIVISION MFB	102, Sagamu Road Ikorodu Lagos
30.	INFINITY MFB	4, Demurin Street, Ketu Lagos
31.	IPODO- IKEJA MFB	46, Obafemi Awolowo Way
32.	ISEHRI MFB	32, Ajegunle Street, Isheri Lagos
33.	ISLAND MFB	33, Moloney Street, Obalende Lagos
34.	KBS MFB	Cortex House 24, Adedoyin Street, Ketu Mile 12, Lagos
35.	KFC MFB	Plot 1, Isheri Road, Ojodu/Berger B/Stop Ikeja Lagos State
36.	KINGS MFB	7, Ikorodu Road, Mary Land Ikeja Lagos
37.	LASU MFB	LASU Campus, Lagos Badagry Express Road, Ojo Lagos State
38.	LEKKI MFB	Km 15 Lagos/Epe Expressway Ist Gate Jakande Estate, Lekki Lagos
39.	MCB MFB	Low Cost Housing Exit Road, Jakande Estate, Lekki Lagos
40.	MERCURY MFB	6, Olayiwola Street, New Oko - Oba Ifako/ Ijaiye Lagos
41.	MONEYCOM MFB	31b Oyeleke Street, Alausa Ikeja Lagos

42.	NEW LIFE MFB	Plot 373,Lateef Jakande Road Agidingbi Ikeja Lagos
43.	NPF MFB	1, Ikoyi Road ,Obalende Lagos
44.	OCTOPUS MFB	24, Community Road, Opp. Police Station Otto- Ijanikin, Lagos.
45.	OJOKORO MFB	Lagos/ Abeokuta Expressway Ijaiye Bus Stop Ojokoro Lagos
46.	OWOTUTU MFB	23, Ladipo Street,Mushn Lagos State
47.	PENIEL MFB	Km 20 Badagry Express way Opp. LASU Main Gate , Ojo Lagos State
48.	EXCELLENT MFB	48, Kirikiri Road, Apapa, Lagos
49.	EGBE MFB	14, Dada Street, Ikotun Egbe, Lagos
50.	AGUDA TITUN MFB	4, Kolade Street, Aguda, Lagos
51.	OUTREACH FOUNDATION	104, Herbert Marcurley Way, Yaba
52.	PLANET MFB	14, Isheri- Oshun Road, Off Ijegun Road Ikotun Lagos State
53.	PROLIFIC MFB	9, Ijaiye Road, Ogba Lagos
54.	PYRAMID MFB	Spicery Building,11/13onayade Street,Igbobi Sabe Jibowu Lagos
55.	ROYAL BLUE MFB	127, Herbert Macaulay St. Ebute Metta p. O. Box 3621, Sabo Yaba Lagos
56.	ROYAL TRUST MFB	28, Agbado Road Iju Ishaga

57.	SOUTH WEST IKOYI MFB	62b Itafaji Road, Dolphin Estate Ikoyi Lagos State
58.	STAKO MFB	74, Mobil Road Ajegunle Apapa Lagos
59.	SUNRISE MFB	6, Ajayi Aina Street, Ifako- Gbagada Lagos
60.	TIN CAN ISLAND	Satelite Car Park, Tin Can Island Port Apapa Lagos
61.	TOUCH STONE MFB	7, Akesan Road, Egan Alimosho Lga, Lagos State
62.	TRADERS MFB	International Trade Fair Complex Amuwo- Odofin LGA, Lagos
63.	ULTIMATE MFB	Owode Market Ayobo Rd Ipaja Lagos State
64.	UNIQUE MFB	91, Alimosho Road Iyana Ipaja Lagos
65.	VENTURE SUPPORT MFB	10, Oworonsoki Road, Oworonsoki Lagos State
66.	INTEGRATED MFB	64, Adeniyi Jones Avenue, Ikeja, Lagos
67.	GAPBRIDGE MFB	15A, Oko-Awo Street, V.I. Lagos
68.	MIC MFB	10, Allen Avenue, Ikeja, Lagos
69.	TOWNSERVE MFB	26, Gbeserno Street, Aga, Ikorodu
70.	GS MFB	1, Kudirat Abiola Way, Ikeja, Lagos

Ondo State

S/N	NAMES OF Microfinance institutions	ADDRESS
1.	AJUTA MFB	Market Road Loso Quarters, Ogbagi Akoko Ondo State
2.	AOGO MFB	Oba Adesanoye House, 39/41 Canon Adeyemi Sabo Ondo State
3.	ARACOM MFB	57, Hospital Road, Akure Ondo State
4.	EKIMOGUN MFB	2, Ifore Street, Ondo State
5.	IGBOTAKO MFB	3, Luwoye Street, Igbotako Ondo State
6.	IJARE MFB	34, Obasola Street, Ijare Ondo State
7.	ILE - OLUJI MFB	3, Iparaku Street, Oke- Aro Ile Oluji Ondo State
8.	ILUTUNTUN- OSORO	Bank House Broad Street, Ilutuntun –Osoro Ondo State
9.	IPE MFB	Ishinodo Quarters, Ipe- Akoko Ondo State
10.	LAYELU MFB	102, Broad Street, Ode- Aye Ondo State
11.	MOKIN MFB	Obada Market, Ilara Mokin Ifedore Lga Ondo State
12.	NEW AGE MFB	Old Uac Building, Osele Market Ikare Ondo State
13.	OKA MFB	Sokedile House Oka Akoko South Lga Ondo State
14.	OKE AGBE MFB	A2 Rufus Giwa Road Afa Oke Agbe Ondo State
15.	OREDEGBE MFB	42, Igbalaye Street, (Idanre Road) Oke- Aro Ondo State
16.	OROKE MFB	Ibaka Quarters, Ikare Road Akungba Akoko Ondo State
17.	ONDO STATE MICRO CREDIT AGENCY	Oke-Eda, Akure, Ondo State
18.	COWAN	23, Oke-Ijebu, Akure, Ondo State
19.	IRELE MFB	45, Olofun Street, Irele LGA, Ode-Irele
20.	KOREDE MFB	3, Luwoye Street, Igbotako

Source: Portfolio and savings registers, balance sheet and income statement of individual microfinance institution.