

Deji Fisho

Board Member, Fortis
Microfinance Bank Nigeria



ABF: What is your background and how did you come to join the Fortis board?

DF: I co-founded Fortis Microfinance Bank Plc and was the original managing director. I engaged in securing a mobile payment license from the Central Bank of Nigeria, making Fortis the only microfinance bank in Nigeria with this accreditation. I also serve as the founder of the Fortis Academy and as a lead consultant to the Bank of Agriculture in Nigeria. I founded Switch Development Initiative, a NGO with core interests in education, community development and charitable causes, and I am the Executive Vice Chairman of Brinq Africa, an IT support company with interests in e-transactions, e-payment systems and general payment systems.

ABF: As board member of an FSP in Nigeria, what are some external challenges that concern you?

DF: Currency devaluation, the crash of oil prices, terrorism – they all create challenges. But we also have to remember that we are in a recession in Nigeria and recessions are cyclical. You have to be in the right position when the economy starts to climb – you have to ask the board if you will you be ready when it does.

ABF: In 2016, the Central Bank of Nigeria (CBN) allowed the exchange rate for the Naira, the Nigerian currency, to be market driven. What are the implications of this decision on Fortis?

DF: When the currency devalues FSPs have to spend more Naira to keep money in dollars. But with the oil market crash there weren't enough dollars coming in for repayments so people have to go outside the bank to the black market to get dollars. In a currency devaluation situation like this, FSPs won't have money to lend. The bigger banks borrow from the government and the smaller banks borrow from the bigger banks. There is no trickle down to FSPs if the larger banks don't have the cash.

ABF: Are disruptive technologies and the regulatory responses affecting strategy?

DF: The banks and telcos are regulated differently but you are starting to see convergence. The Central Bank is adapting to look at new business models because the phone is like a branch. Some of the biggest competition going forward will be between banks and mobile competitors. The banks don't have the resources that telcos do, and the telcos want to play in the financial inclusion space. The base of the pyramid is more interesting for the telcos. MTN, the major telco company in Nigeria, has 130 million customers.

ABF: What are some of the driving forces behind mobile money in Nigeria?

DF: Africa doesn't have the fixed line infrastructure, so mobile phones have the highest level of infrastructure at this time. Also, some cashless programs are the government's efforts to combat corruption within its own agencies. Government corruption and fighting terrorism are large issues in Nigeria. They are like a cancer you have to deal with constantly. Africans are resilient, and there is a way forward.

The focus on innovators at the HBS-Accion program has been important and relevant to me. The HBS case on M-PESA shows there are forces other than microcredit and microfinance affecting the industry. FSPs are going to have to adapt and to diversify products. The landscape for microfinance will be totally different in five years. The case on CreditEase shows a peer to peer lending model that I think could be used. The CreditEase case shows that you don't need a license to make money on the spread. FSP's should adapt to function in the peer to peer model - FSPs have to see this as a viable model. All FSPs have to innovate; it's the real way to bring the interest rate down.