

[LAPO Reviews Her Interest Rates - Print PDF :](#)

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Benin City, Nigeria

December 7, 2009

LAPO REVIEWS HER INTEREST RATES

It is my pleasure to update you on a major revision of our interest rates. Till recently LAPO had been charging its borrowers 3%/month flat on the loan amount. We are well aware that while compared with other MFIs' rates in Nigeria, this rate is on the lower end, it is still on an absolute basis quite high. This topic has surfaced time and again in our dialogue with various stakeholders. We had always explained that the sole aim for which we were required to charge such rates was to build up accumulated surplus to meet the capital requirement for transformation into a regulated microfinance bank. This is so, as LAPO is a non-profit organization which does not have any private equity interest. Now that we have achieved this objective decided to reduce interest rates to 2.5%/month flat in the **first instance** with effective from October 19, 2009.

LAPO's philosophy has always been to improve the condition of our members and in line with that we have rolled out this downward revision of the rates charged to our borrowers in a time when our own borrowing costs are going up significantly.

We would like to thank partners for their support and understanding which enabled us to reach a position of financial stability, which in turn is now allowing us to pass on the benefit to our

thousands of borrowers.

Godwin Ehigiamusoe

CEO