



# Nirdhan Newsletter

A Newsletter of Nirdhan Utthan Bank Limited (NUBL)—October 2017 Edition

**Nirdhan Utthan Bank Limited**

An MFI Providing Service to the Poor

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## CEO's Message:

Nirdhan Utthan Bank in its 26 years of continuous service has focused to alleviate poverty in Nepal and bring poverty level to zero. Nirdhan is committed to offer holistic approach to serve the poorest of the poor in uplifting their social and economic status by offering both financial and non-financial services/social responsible services.

In 1997, Nirdhan in partnership with Save the Children USA initiated project entitled "Microfinance Services for Ex-Kamaiya and Other Poor Households in Western Nepal". Kamaiyas or bonded labourers were the indigenous people of western Nepal who were bound to work as domestic help in exchange for a meagre annual payment. Through generations, they were over-indebted and remained one of the poorest communities of the country. The project had integrated both financial and non-financial services to help ex-Kamaiyas and other marginalized poor people to add physical or social asset and sustain to escape extreme poverty. The clients were provided with in-kind micro grants which included pigs or goats complemented with technical assistance. The holistic nature of the project provided both knowledge/skills and financial assistance which resulted ex-Kamaiyas and other poor households to escape out of extreme poverty and remain free from bonded labor.

Similarly in 2002, Nirdhan in partnership with Plan Nepal initiated "one village one production" program where member clients were provided with financial and non-financial services. Among many villages where the program was run, a 35 household village in Dohori Village Development Committee in Bara district was selected and each household were provided with in-kind micro grants which included a piglet and two sack of cement for building shed complemented with technical assistance. The initiative saw member clients utilize their loans for productive use and over the years their economic status improved gradually resulting in increase in their living standard and self-confidence.

Substantive population especially in the rural mountainous and hilly areas is still experiencing extreme poverty. According to the Economic Survey of Nepal FY 2016/17, 21.6% of the population is living below poverty line. Nirdhan has experience in implementing poverty alleviation initiatives and our staff members are focused to serve communities where poverty is rampant and require support to uplift their economic independence and enhance their livelihood with low capital investment.

- Janardan Dev Pant



Women members of Ghasa Womens Group of Ghasa Branch, Mustang District.

## NUBL at a Glance

NUBL at a Glance as of October 17, 2017	
Indicators	Figure
No. of Districts Covered	75 of 75
VDC Coverage	1,828
No. of Branch Office	178
No. of Staffs	855
No. of Centers/SRGs	14,908
No. of Active Clients	298,587
No. of Loan Client	206,016
Loan Disbursed (NPR)	74.78 Billion
Loan Outstanding (NPR)	12.89 Billion
Savings & Deposits (NPR)	6.68 Billion

Nirdhan Utthan Bank's main objective is to create progressive, better socio-economic status of the poor people through awareness, access to finance and entrepreneurship development. Microfinance program of the Bank was started since March 14, 1993 when it was working as NGO, later transferred to Microfinance Bank in 1998. At present, NUBL is the only one MFI in Nepal that has outreach in all 75 districts of Nepal through the network of 178 Branch Offices, 10 Regional Offices and a Central Office serving 298,587 clients as of October 17, 2017.

## News

### Pilot Test of NUBL Tablet Banking

NUBL has successfully pilot tested tablet banking in four of its branches. The pilot test was launched in Masuriya and Lamki Branches of Attariya Regional Office, Belatari Branch of Bhairahawa Regional Office and Parsauni Branch of Birgunj Regional Office. Tablet

devices were used by field staff in centres meetings for client's transaction entries (collection sheet) of loan and savings. Tablet banking is targeted to gradually be applied in all branch network of NUBL replacing the practice of manual collection entries. The pilot test was coordinated by NUBL Information Technology Department.



NUBL Masuriya Branch Manager Mr Mankaji Chaudhary (Centre) providing receipt generated from Tablet Banking to Member Client (Right).

Clients also have the option of subscribing to mobile banking solution with which they can have the benefit of receiving SMS alert messages on their transactions.

During the month of October, the Central Office of the Bank has centralized the management of staff's pay system and fixed assets recording. The centralized management was enforced to control the standards and procedures to be error free and time efficient across NUBL Branch Office, Regional Office and Central Office.

## Success Story: Mrs. Chandra Lamichhane

Mrs Chandra Lamichhane was born in a lower middle class family in Matakhani Village Development Committee in Surkhet District. After her younger sister and two brothers were born, she could not continue her studies from level 6 as she had the responsibility of looking after them. She helped her father who was a farmer to look after their buffalo and goats. She got married at the age of 18. In search of better opportunity, she and her husband decided to migrate to Kohalpur and started tenant farming. The couple decided to start a transport business by buying a bus, but the business failed costing them their investment of Rs. 8,00,000 and they were left indebted. Her husband decided to go to India for foreign employment to repay the loan.



**Mrs Chandra Lamichhane Feeding Water to her Buffaloes.**

As her husband left for India, she was left alone to take care of her three kids and was responsible for her extended family's commitment. As their family's started to struggle economically, she thought of starting a new business for additional household income. She was unsure how she would be able to fund for her entrepreneurship. She learned that Nirdhan Utthan Bank was opening a self-reliant group and she enrolled for compulsory group training to join as a member. She thought of starting a buffalo farm and obtained

loan amounting Rs. 20,000 from NUBL Kohalpur Branch. She bought a buffalo and started selling milk and the earning helped her cover some household expenses. She added more buffaloes over time by taking additional loans and also installed bio gas plant in her home with support from NUBL. She has leased a land for five years and has started a commercial buffalo farm on it. She currently has 9 buffaloes and 8 calves.

She recalls the time when the family struggled to meet daily ends but following her success, she has been able to educate her kids and has also bought 254 Sq. Meter land and has built a one storied house. Her husband who was in India has left his foreign service and has joined to help the family business. Her two sons too have been helping her run the business.



**Mrs Chandra Lamichhane and Her husband at their Buffalo Farm.**

### Future Plan

She aims to buy the land which she is currently leasing and add infrastructure of her farm to build its capacity. She plans to sell quality dairy products in coming days by marketing it to new markets and also sell buffaloes to other farmers. She also wants to encourage and motivate other potential entrepreneurs about benefits from agriculture, especially livestock farming.

*(Mrs Chandra Lamichhane is a recipient of Harihar Dev Pant Micro-Entrepreneurship Award 2017)*



**NRB Governor Dr Chiranjibi Nepal handing Harihar Dev Pant Micro-Entrepreneurship Award 2017 to Mrs Chandra Lamichhane.**

### News:

#### **NUBL and F1Soft International Pvt. Ltd. To develop NUBL Smart Mobile Banking App**

NUBL and F1Soft International Pvt. Ltd. have partnered to develop NUBL smart banking mobile app. The application is currently on development stage and will be available upon completion of user acceptance test. The app is targeted to be made available on Android and iOS mobile operating system. NUBL is looking to provide mobile banking services for its valued member clients with the ever increasing use of mobile communication by its valued clients.

F1Soft International Pvt. Ltd is a leading FinTech company providing services to more than 90% of the banks and financial institutions in the country. Under Smart mobile banking, clients can access their account statement, transfer fund, pay for recharge cards, merchant payment among many other features.

### Client News:

#### **Rural Credit Insurance Compensation Handed to Beneficiaries**

During the month of October, NUBL distributed insurance compensation claims to 71 beneficiaries. NUBL has been providing Rural Credit insurance service or Grameen Karja Beema through partner-agent model linking its clients with Metlife American Life Insurance Company (Metlife Alico). NUBL provides micro-life insurance to its client and client's spouse by linking its clients through the insurance provider. The Bank collects premium and forwards the same to Metlife Alico, and death claims are settled by the company through NUBL accordingly. NUBL has been providing micro insurance to its low income clients as they are vulnerable to economic shocks caused by death of member of clients family member.

Along with micro life insurance, NUBL also offers livestock insurance through partner-agent model linking its client with Deposit and Credit Guarantee Corporation. Clients have the option to insure their livestock upon obtaining loan from NUBL. For insurance policy of up to 75 thousand, clients have to pay 2% of the loan as a premium and the government matches it with an additional 5%. For insurance policy above 75 thousand, clients have to pay 1.5% of the loan as a premium and the government matches it with an additional 4.5%. In the event of animal's death, the insurance claim is firstly verified by a veterinary official and the agency pays insurance covering 80% of the loan.

### Staff Training News:

#### **NUBL to Organize Capacity Development Trainings to Accountants**

NUBL Training and Development Department (TDD) has planned to provide trainings to accountant staffs of NUBL during the current fiscal year. This training is targeted to be provided to accountant staffs of all 178 Branch Network of NUBL. TDD is the mandated department of the organization to address the issues of capacity development.

The planned training is designed to capacitate accountants on operational issues such as credit lending documentation, legal obligations, accountant roles and responsibilities in changing environment, credit recovery procedures, centre management reporting, deposit mobilization, micro enterprise loan. Likewise training will also include sessions on remittance services, member client increasing strategies, guidelines and directions among other topics.