

July 2017

NIRDHAN UTTHAN BANK LTD

A bank for uplifting poor

Central Office
Nirdhanbawan, Bhagawatibahal
Naxal, Kathmandu
Nepal

Tel:
+977-1-4413711/4413794/4413840
Fax:: +977-1-4413856
E-mail: info@nirdhan.com
www.nirdhan.com.np



Newsletter of Nirdhan Utthan Bank Limited

NIRDHAN

Nirdhan Utthan Bank Ltd (NUBL) is the only one MFI in Nepal that has presence in all 75 districts of the country.



Women members of Pokhabinda Ka Group of Lahan Branch, Siraha District.

Message from CEO

The services of formal financial institutions still have not reached to more than 59% of Nepal's population. FinScope Making Access Possible Survey conducted by United Nations and United Nations Capital Development Fund (UNCDF) in 2014 found that 21% of the population are dependent on consumer group, subprime lenders, businessmen, friends, relatives and other informal channels for their financial needs. Micro-finance program is needed for ease of access to formal financial services to the low income group.

To uplift the social and economic status of the rural population including the deprived sector, social awareness about financial literacy is essential. Financial planning, ideas to curb unnecessary expenses, family budget, management of risks, selecting financial services and utilization of loan are some of the topics of financial literacy learning. Since women are the lead decision makers in financial matters of the family, financial literacy can help them make right decisions and maintain their family's financial discipline.

NUBL is only MFI of the country to have branch network in all 75 districts of the country. Both the group lending and self-reliant group model followed by NUBL have mandatory week long training focused for capacity building of its valued clients and has key topics of financial literacy included in it. To emphasize continuous learning, Nirdhan has also been implementing financial literacy programs as its ongoing capacity development strategy for its clients. Providing access to finance to rural communities and capacitating them with skills are some of the sustainable ways to reduce poverty in the country.

— Janardan Dev Pant

NUBL at a glance

NUBL at Glance as on July 15, 2017		
Indicators	Unit	Figure
District Coverage	No.	75 of 75
VDC Coverage	No.	1,820
No. of Branch Office	No.	178
No. of Staffs	No.	832
No. of Centers/SRGs	No.	14,732
No. of Active Client	No.	296,388
No. of Loan Client	No.	206,224
Loan Disbursed	NPR	69.85 Billion
Loan Outstanding	NPR	12.32 Billion
Savings & Deposits	NPR	6.23 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 296,388 clients as at July 15, 2017.

Telecommunication Service Providers added for Mobile Alert services

NUBL has added two more telecom providers for its SMS alert service. The service which was available only on Nepal Telecom until now is available across subscribers of Ncell and Smart Telecom as well. Both Ncell and Smart Telecom are private sector mobile service providers. Registered clients of Mobile alert service receive alert messages on their mobile phone on every withdrawal and deposit of amount in their respective savings accounts.

As of July 31 2017, more than 12,000 member clients have registered mobile phone numbers with their savings accounts. With this, NUBL aims to provide mobile alert services to more clients through major mobile networks in the country. NUBL is looking to further increase its mobile banking services in coming days with the ever increasing use of this means of communication by its valued clients.

Financial Literacy Videos Made

Nirdhan Utthan Bank Limited with financial support from DFID's Access to Finance project has developed short film on financial literacy. The video is almost 35 minutes long and has 6 segments themed on financial literacy messages namely savings, family budget, insurance, loan utilization, remittance and financial discipline. The video was made by Rianda Biz Serve Private Limited for Nirdhan Utthan Bank Limited and was

written and directed by Mr. Nayan Raj Pandey. The video features some professional actors who regularly feature on comedy and drama series on television in Nepal including Sarita Lamichhane, Surbir Pandit, Kabita Sharma, Lalit Bista, Nabin Khatriwada, Dikshya Oli, C.P Poudel, Manju Shrestha, Jeevan Thapa, Basanti Bhatt and Nanumaya Nagarkoti.



Screenshot of the financial literacy video

The video will be shown to clients in centre meetings and other events with the aim of raising awareness on financial literacy. The video will be shown in tablet devices with the help of portable speakers. Currently there are about 170 tablets, 120 portable speakers across 54 Branch network of NUBL.

Success Story: Radhi Devi Chaudhary's Determination

Mrs. Radhi Devi Chaudhary was born in 1970 A.D. in Rajapur Municipality Ward no. 8, Bardiya District. She got married at the age of 15 and moved to Sitapur, Tikapur Municipality Ward no. 8, Kailali District. She struggled to meet her ends and worked as domestic worker which is also known as Kamaiya (bonded labourer). She worked as a Kamaiya for 14 years and gave birth to one daughter and three sons. She worked from early morning to late evening and used to take care of her children until the wee hours of the morning. She recalls even though she worked very hard there were times when she couldn't afford to feed her children and had to make them sleep without meal. She remembers the days when she thought she may not be able to bring up her kids due to risk of snake bite during summer, flooding during mon-

disarray, she fought for her rights for four years and eventually the government gave her 676 square meters of land. After that she started to do menial jobs and managed to admit her four kids in a school. Thinking of doing something of her own, she started vegetable farming on her small piece of land and the surplus left after family consumption was sold in the market.

In the year 2009, Nirdhan's Branch of Tikapur was established. After hearing from her peers that Nirdhan gives loan without collateral and on group based guarantee, she together with her friends went to the Branch office and enquired about the process of establishing a Women's Group. The Branch then coordinated to organize Bijayanagar Women's group and Mrs. Radhi Devi joined the group as a member. After this she took loan amounting Rs. 10,000 to purchase sewing machine and took her second loan amounting Rs. 20,000 to start a convenient store. So far she has taken her eighth loan from NUBL amounting Rs. 150,000 and now owns a poultry farm, has a buffalo, 5 goats and others. She utilized the loan also for the maintenance of her temporary



Mrs. Radhi Devi Chaudhary at her poultry farm.



Mrs. Radhi Devi Chaudhary's livestock

soon and cold wave during winter.

On 19th July 2000, when Nepal government declared emancipation of Kamaiya system, it added even more burden in her life as her family could not afford adequate food or other household goods. The employer that she used to work before as a Kamaiya did not give her any work fearing that the government would penalize him for breaching the newly introduced regulations. Unsure of this

house. Following her success due to microfinance, she now lives in her pucca house.

Her poultry farm currently has 1000 chicks. Her children have grown up and are educated. Some of them are engaged in different profession and in free time help their mother to run her business. She says that the economic status of her household has been much better over the years. She claims that anyone who fully utilizes

Bank's lending in a productive way can attain success in his/her life. She adds that Nirdhan's role of providing access to microfinance without any collateral for the poor, landless or marginalized people and its role in raising social awareness has helped many women including herself to become entrepreneurs. She thanks Nirdhan for its consistent and continuous service and support.

Relief Packages Distributed to Disaster Victims

During the month of July, as a part of social responsibility, NUBL provided relief package to its clients who were victims of natural disasters from its Client Protection Fund. Under this, NUBL has distributed relief packages to 3 member clients of 3 Branches who were affected by fire related disaster events. Ms. Ammakali Thapa, member client of Chintotar Centre group of Duipiple Branch, Ms. Sumindra Devi Yadav, member client of Centre group Mahuli "Kha" of Kanchanpur Branch and Ms. Lalshah Devi, member client of Daldale Branch received the relief package.

Loan Interest Rate Revised

Nirdhan Utthan Bank Limited has revised interest rate of its loan products effective from 16th July 2017. Loan products under general loan, seasonal loan, home loan, micro enterprise loan, agriculture loan (based on group guarantee), agriculture loan (based on collateral) and foreign employment loan have been revised to 18%. The interest rate on energy loan is 17% and education loan is 16%. Similarly, the interest on emergency loan is 10%. The service charge of all loan products is 1%. The Bank has also waived all charges related to closing saving accounts including individual savings and compulsory savings.

Staff Training:

Training of trainers on financial literacy organized

NUBL central office organized training entitled "Training of Trainers on Financial Literacy" from 26 – 27, July 2017 with financial and technical support from DFID's Sakhyam Access to Finance Project. The 19 participants of the training were 15 program officers of eight Regional offices (Birtamode, Bardibas, Birgunj, Bhairahawa, Kohalpur, Attariya, Pokhara, Kathmandu and Birendranagar), Regional

Manager of Bharatpur and 3 officials of NUBL Central office.

The training started with introduction of financial literacy program and briefly explained on the expected outcome of the training. The two day event had discussion on major contents of financial literacy and delivery methods for training personnel of Nirdhan Utthan Bank. The major financial literacy topics included in the training were concept of determining financial ambition, savings, planning on household income, management of loans, investment and small to medium enterprises. Similarly, major topics such as maintaining financial discipline, capable consumers on selecting financial services, risk management and insurance were discussed. Financial negotiation, utilization of remittance and business planning were also comprehensively discussed.

The training was technically supported by Rianda Biz Serve Private Limited and was facilitated by 2 external resource persons, Mr. Pramod Pandey, Chartered Financial Analyst and Mr. Prakash Koirala. After the training, the participants will be providing financial literacy trainings to member clients across the country.



Mr. Suman Dhakal of Sakhyam Access to Finance project speaking at the event.



Participants of training of trainers on financial literacy organized by NUBL Central Office

Chief Executive Officer Mr. Janardan Dev Pant, Deputy General Manager Mr. Bhojraj Bashyal, Mr. Suman Dhakal of Sakhyam Access to Finance project, and Mr. Pramod Pandey delivered their remarks in the program.