

Legal Structure

Launched on March 31, 1991 Nirdhan (NGO) as a non-government organization (NGO), Nirdhan Uthhan Laghubitta Bittiya Sanstha Limited (NULBSL), was later registered in October 1998 with the Company Registrar on the recommendation of Nepal Rastra Bank (NRB), Nepal's Central Bank. In April 1999 NULBSL received a license from NRB to undertake banking activities under the then Development Bank Act 1996. In July 1999, Nirdhan (NGO) transferred all its microfinance activities, including overall infrastructure, staff, loan portfolio and most assets, to NULBSL.

Capital

The Authorized capital of NULBSL is Rs. 2 billion & Paid-up capital is Rs. 1.2 billion.

Major shareholders of the Institution

Nirdhan (The parent NGO)
Himalayan Bank Limited
Nabil Bank Limited
Everest Bank Limited
Grameen Trust, Bangladesh
National Life Insurance Co. Ltd.
Private Sector Individuals
International Finance Corporation (IFC)
General Public



Board of Directors

The Board of Directors (BOD) of NULBSL comprises seven members, one representing individual promoters, three representing institutional promoters, two representing general public and one independent director. The BOD meets at least 12 times a year and takes policy decisions to pursue the objectives of the institution. The Chairperson of the Board is elected by the board members from among themselves. The BOD is responsible to the general meeting of shareholders who meet generally once a year in Annual General Meeting (AGM). The composition of current BOD is as follows:

Chairperson

Mr. Ganesh Bahadur Thapa- representing Nirdhan NGO and former Governor of Central Bank of Nepal

Members

Mr. Top Bahadur Rayamajhi- representing General Public
Mr. Samrita Tiwari - representing General Public
Mr. Girish Kohali - representing Everest Bank Limited
Mr. Rajendra Bahadur Malla - representing Nabil Bank Limited
Mr. Devendra Bahadur Raut- representing Promoter
Mr. Ram Bhakta Thapa- Independent Director

Management

Mr. Janardan Dev Pant	Chief Executive Officer
Mr. Raj Narayan Das	Assistant General Manager
Mr. Ram Bdr. Chaudhary	Chief Manager
Mr. Mukesh Dahal	Chief Manager
Mr. Narayan Bdr. Karki	Chief Manager
Mr. Gokarna Pd. Upadhyay	Chief Manager

Products and Services

1. Credit services:

- General Loan**
- Agricultural Loan**
Seasonal Loan
Tubewell/ Irrigation Loan
- Housing Loan**
House Const. Loan
Homestead Purchase Loan
House Repair, Maintenance Loan
Toilet Const. Loan
- Micro Enterprise Loan:**
Micro Enterprise Loan
Individual Loan
- Energy Loan**
Bio-Gas Loan
Solar, Improved Stove, Water Mill (Paani Ghatta) Loans, SHS Generator, Motor etc.
- Foreign Employment Loan**
- Educational Loan**
- Emergency Loan**
- Agriculture Development Loan**
Dairy Loan
Agriculture Loan
Agri-Equipment Loan
Micro-Irrigation Loan

(Interest Rates: 10% p.a. to 17% p.a.)

2. Saving services:

(A) Savings of Group Members

- ⇒ Compulsory Saving
- ⇒ Voluntary Saving
- ⇒ Centre Fund Saving
- ⇒ Sambriddhi Saving

(B) Deposits of General Public

- ⇒ Easy Saving
- ⇒ Special Saving
- ⇒ Employee Saving
- ⇒ Fixed deposits- up to 2 years.

3. Micro- Insurance Services

4. Remittance Services



A BRIEF INTRODUCTION



Nirdhan Uthhan Laghubitta Bittiya Sanstha Ltd.

(Formerly Nirdhan Uthhan Bank Limited)

A Microfinance institution providing financial services to the poor

CENTRAL OFFICE

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History

In 1986 Dr. Harihar Dev Pant (the pioneer of microcredit movement in Nepal), former Deputy Governor with the Central Bank of Nepal, visited Grameen Bank, Bangladesh. This visit inspired him to launch microfinance in Nepal. Shortly thereafter, "Nirdhan" or "people without money" was created. Nirdhan was registered on March 31, 1991 as an NGO with Government of Nepal. Nirdhan began its microfinance operations in March 1993. Nirdhan obtained a limited banking license from the Central Bank of Nepal in 1994. Under its limited banking license, Nirdhan was permitted to mobilize savings from its members / clients.

In October 1998, Nirdhan Utthan Bank Limited, "the bank for upliftment of the poor", was registered as a company. In April 1999, the Central Bank granted a license for Nirdhan Utthan Bank Limited (NUBL) to undertake banking activities under the Development Bank Act of 1996. In July 1999, Nirdhan NGO transferred all microfinance operations to Nirdhan Utthan Bank. Nirdhan (NGO) was transformed (promoted) to Nirdhan Utthan Bank for the following strategic reasons:

- ⇒ Banks are supervised and regulated by the Central Bank, which enforces banking standards;
- ⇒ The bank can lend to a wider range of clients, including micro entrepreneurs graduated out of the bank's regular clientele. Further, a bank can accept collateral for potentially larger and diverse loan products;
- ⇒ As a bank NUBL will have access to wide range of funding including public deposits to satisfy growing needs of potential clients.

As the Microfinance Institutions are not allowed to write Bank in their names and are required to write "Laghubitta Bittiya Sanstha Limited" according to Bank and Financial Institutions Act 2073 BS (2016), Nirdhan Utthan Bank Limited changed its name to Nirdhan Utthan Laghubitta Bittiya Sanstha Limited on June 12, 2018.

Vision

"To be a bank with a social conscience that enables poor to (i) contribute equally to a prosperous, self-reliant society through self-employment and social awareness, and (ii) help to reduce poverty in Nepal.

Mission

"To extend financial services and social awareness to the poor in under-served and un-served areas of Nepal in a sustainable manner.

Goals

- ⇒ Reach the maximum number of poor households with potential and financial viability by adopting proven delivery mechanism.
- ⇒ Develop a well-managed institution with high staff morality.
- ⇒ Enhance women's "self-respect" through social awareness, proper use & on-time repayments of loans, regular savings and provision of related micro-finance services.

Lending Methodology

- 1) Individual lending based on group solidarity and without collateral (Grameen Banking Model).
- 2) Wholesale lending to Self-Reliant Group (SRG, Nirdhan Model).
- 3) Collateral based lending for micro entrepreneurs.

Programme Area

Nirdhan Utthan Laghubitta Bittiya Sanstha Limited, a national level microfinance bank has been permitted by Central Bank to work throughout the country. Currently, Nirdhan Utthan is serving in the 77 of 77 districts of Nepal.



Target Group

Nirdhan Utthan recruits new clients who fit the following targeting criteria for its group based financial services:

- ⇒ Own less than 0.25 hectares of irrigated land or less than 0.5 hectares of un-irrigated land per five-person family.
- ⇒ House must not have cement walls or ceiling (pucca house).
- ⇒ Permanent residence of area.
- ⇒ Annual income is not more than Rs. 138,000 per family.
- ⇒ No current loans from other financial service providers.

Scale of Operation:

As on December 15, 2018 (Mangsir 29, 2075) the progress of the Nirdhan Utthan Laghubitta Bittiya Sanstha Limited is as follows:

Number of Branches	181
Number Regional Offices	10
Number active clients cumulative	333,141
Amount Disbursed cumulative	Rs. 100.48 Billion
Amount Repaid cumulative	Rs. 83.96 Billion
Loan Outstanding (Gross)	Rs. 16.52 Billion
Total Savings & Deposits	Rs. 9.33 Billion
Total Staff	1,055



Strategic Alliances

Nirdhan Utthan has established strategic alliances with the following international and national organizations:

- ⇒ Grameen Trust, Bangladesh
- ⇒ Save the Children
- ⇒ PLAN International
- ⇒ Centre for Micro-Finance (CMF)
- ⇒ INAFI, Nepal
- ⇒ MIX Market
- ⇒ CGAP - the World Bank
- ⇒ The International Labor Organization (ILO)
- ⇒ International Finance Corporation (IFC)
- ⇒ Whole Planet Foundation (WPF)
- ⇒ Sakcham (DFID)
- ⇒ CleanStart Project (UNCDF)
- ⇒ Unnati Project (NRB/UNCDF)



Organizational Structure

The institution has a three - level structure of Branch Offices, Provincial Offices and the Central Office. Branch Offices are the frontline for client relations and services and have loan officers, one accountant and one branch manager in the staff. The branch manager supervises all activities and staff and reports to the provincial manager.

Provincial Offices manage between 14 to 47 Branch Offices, and are responsible for internal control of branches, verifying client loan utilization, compiling reports and accounts for each branch, supervising branch budgeting, and testing client group / centers for poverty targeting.

It has eight departments at Central Office, which include: Planning Monitoring & Research, Operation, Internal Audit, Human Resource Management, Training & Development, General Administration, Account & Fund Management & Information Technology departments.



The organization chart of NULBSL

