



NUBL staff conducting center meeting of Bargau women's SRG (Self Reliant Group) in Bargau VDC of Humla district, one of the 22 districts of Nepal with less access of formal financial services as identified by the government.

## Message from CEO

It is my honor and privilege to present our Newsletter for the month of March 2017.

There is a huge unbanked population in the rural areas where MFIs have been expanding access to finance to rural area's deprived population who are in need of credit to uplift themselves from poverty. Demand for micro credit is high in the rural areas as the rural population do not have access to banks and FIs or they lack sufficient collateral. So the rural population seek for the loans to start or expand their business, livestock farming or farm.

As of mid. February 2017, NUBL has Rs 11.87 billion loan portfolio and Rs 5.29 billion savings & deposits. It has managed 45% loan able fund from its own source as client's savings & deposits. As there is a regulation that class 'A', 'B' and 'C' financial institutions have to lend 5%, 4.5% and 4% of total loan portfolio to deprived sector, Rs 6.58 billion is being financed through borrowings from various banks and financial institutions. It is estimated that additional Rs 1 billion will be required to address the credit demand by the end of this fiscal year. NRB had through the Monetary Policy 2016-17 introduced a provision that commercial banks have to lend 2% directly to the deprived sector. That provision has lowered the source of loan able fund of MFIs affecting their lending capacity.

However NUBL has already started focusing on increasing its own source of loan able fund as savings & deposits, as, it will not able to meet the credit demand of rural clients as demand has been growing at an average of 50% annually for last three years. Thus NUBL seeks and welcome funding from interested impact funds and other financial institution as debt fund at competitive rate to meet the loan demand of its clients.

-Janardan Dev Pant, CEO



CEO of NUBL (right) welcoming Mr. Abdul Hai Khan of Grameen Trust Bangladesh.

On Tuesday, February 7, a meeting was held at NUBL central office between NUBL and representatives of Grameen Trust Bangladesh. Grameen Trust is one of the major equity partners of NUBL that holds 3.57% equity. Janardan Dev Pant, CEO and Manoj K. Yadav,

## NUBL at a glance

### NUBL at Glance as on February 11, 2017

Indicators	Unit	Figure
District Coverage	No.	75 of 75
VDC Coverage	No.	1,804
No. of Branch Offices	No.	178
No. of Staffs	No.	851
No. of Centers/SRGs	No.	14,374
No. of Active Clients	No.	289,267
No. of Loan Client	No.	201,060
Loan Disbursed	NPR	63.13 billion
Loan Outstanding	NPR	11.87 billion
Savings & Deposits	NPR	5.29 billion

Nirdhan Utthan Bank's main objective is to create better socio-economic status of the poor people through awareness, access to finance and entrepreneurship development. Micro-finance program of the bank was started since March 14, 1993 when it was working as NGO, later transferred to Micro-finance 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 289,267 clients as at mid. February 2017.



CEO of NUBL (right) welcoming Mr. Nilesh Srivastava of IFC.

Senior Manager from NUBL and Mr. Abdul Hai Khan, Managing Director and Mr. Mir Hossain Chowdhary, DGM from Grameen Trust were present in the meeting. Similarly, on Thursday, February 22, another meeting was held at NUBL central office between Mr. Janardan Dev Pant, CEO of NUBL and Mr. Nilesh Srivastava, Financial Institution Portfolio Manager of IFC South Asia. IFC is another equity partner of NUBL that holds 7.54% equity. Beside this, IFC has been supporting NUBL for scaling up its micro insurance operation. Meeting was focused on the possibilities of further partnership.

## Success Story: Regained esteem.

A recognized leading buffalo rancher in Banke district of mid-western Nepal, Mrs Chandra Lamichhane did not get the success easily, her determination and tireless effort for a decade was behind her success. Mrs. Lamichhane has education only up to primary level. As she was born and brought up in hilly districts, she spent most of her childhood going with the goat herd in the jungles. She got married to Tanka Prasad Lamichhane from same village at the age of 18.



Mrs. Chanda Lamichhane in her buffalo farm.

As livelihood in the hilly district was difficult, her family migrated to the terai in 2002 for better quality of life. Her husband wanted to do some entrepreneurial activities instead of being dependent only on agriculture, so that he could bring some improvement in life of his family. So, he decided to sale some 8,000 square feet of home-stead to purchase a second hand passenger bus. At that moment, Nepal was suffering from the worst political crisis, Maoist insurgency and highway blockade and general strikes were common. He was new to the business. Due to high maintenance and running cost of the secondhand bus and regular highway blockade and general strikes, his decision of running a secondhand bus proved to be wrong in that context. He suffered loss of NPR 700,000 within a year. So they sold another one acre of land and Mr. Lamichhane left home to

work in India leaving two children with his pregnant wife.

As annual 4-5 quintal of rice produced in the lease land was not enough to feed her family, Mrs. Chandra wanted to do some other activities to generate extra income. She did not have fund to do the business, so she tried to fetch some credit from her villagers but no was ready to lend her money. Bank and financial institution was beyond her reach as she didn't have collateral for the loan. Meantime, NUBL's staff came to the village to form women's group to provide savings & credit services. Mrs Chandra joined the women group. She had a financial literacy training for a week from the NUBL's staff. After training she was eligible for the first loan of NPR 20000 to purchase a buffalo. After purchase of the buffalo, life of Mrs Chandra completely changed. She managed to save some amount by selling milk which she utilized for repayment of her loan. She repaid her loan within a year and applied for the second loan amounting NPR 30000. As she had a good track record for repaying her first loan, her second loan was approved. She purchased a crossbreed buffalo with the money that she got from the loan and her savings. As Chandra was able to bring new hope for a better life through buffalo farming, her husband returned home from India to help with the buffalo farming..

After few years, Buffalo farming which started with NPR. 20,000 merely to support livelihood was transformed to a commercial one. Mrs Chandra has started "Janachetana Buffalo Farm" in the village with some 1.5-acre of lease land and has male and female altogether 17 crossbreed buffaloes in her farm. Due to the determination, time and tireless effort that she put in her business, it not only helps Lamichhane family to improve their economic condition but also to regain self-confidence & self-esteem that they lost earlier in transport business and most of all recognition as leading farmer in buffalo raising in the district. Now, Mrs Chandra thanks NUBL for giving her right support at the right time and hopes to get such supports in her future endeavors.

## Reimbursement of micro insurance benefit.

On Saturday, 4th February, 2017, NUBL branch office Kohalpur of Banke district organized a condolence ceremony for late Mrs. Maya Shahi, member of women self-reliant group (SRG) promoted by the branch. Mrs. Shahi was NUBL client since 2004, died from snakebite. In that occasion, Ananda Kumar Gautam, regional manager reimbursed NPR 576,000 insurance claim to her husband, Birendra Bdr Shahi in the presence of SRG member, branch staff and local people.

As clients are highly vulnerable to economic difficulties caused by unforeseen future events such as death of



Ananda K. Gautam, regional manager providing death claim to the spouse of late Mrs. Maya Shahi.

family member, critical illness, destruction of valuable asset, or critical injury leading to disability, NUBL has started micro insurance service to address client's needs for risk management. It has been providing this service through partner-agent model linking its clients with formal insurance companies. Micro insurance is helping the families of the victim to get rid from debt in one hand and in other hand; it helps NUBL to minimize the possibility of credit risk associated with the death of the clients.

By the end of first half of current fiscal year, NUBL has already reimbursed NPR 20.40 million death claim to 212 beneficiaries. This figure was 32.5 million to 393 clients in

## Clients' Training:

With partnership with DFID funded SAKCHYAM - Access to Finance, Nirdhan Utthan Bank has been implementing "Job creation through Micro and Small Enterprises Financing with Support from Financial Literacy, Entrepreneurship & Skill Trainings" project since July 2016. The overall objective of the project is to create at least one job from each Micro and Small Enterprise (MSE) with the support of financial literacy using Digital Devices and skill & capacity development training for better management of their MSEs. NUBL is planning to provide Entrepreneurship training to 600 clients and Skill Development training to 750

clients by the end of 2019.

As a part of the project, 30 women participants from Birendranagar and Jahare branches of Surkhet district participated in 3 days mushroom farming Training which was held from 8-10 February 2017. Participants got the theoretical as well as practical knowledge on farm management and nourishment of mushroom seeds. The training was facilitated by Mr. Lilaram Dhakal, a renown local mushroom farming trainer. Small package of mushroom seeds is provided to each participants at the end of the training.



Women participants in mushroom farming training organized in Birendranagar of Surkhet District.

Similarly, 22 women participants from Damak, Dhula-



Women participants in mushroom farming training organized in Jahare of Surkhet District.



Women participants in entrepreneurship training organized in Birtamod of Jhapa District

bari, Chandragadhi, Gouradaha and Surunga branches of Jhapa district participated in 3 day Entrepreneurship Development Training which was held from 22-24 February, 2017 in Birtamod. The main objective of the training was to equip participants with the soft skills required in the selection of right business and effective management of entrepreneurial ventures. Participants will get up to Rs. 500,000 microenterprise loan from NUBL to start microenterprises after completion of training. The training was facilitated by Iswar Atreya, Manager from central office Kathamandu and Narayan Prasad Panthi, Regional Manager from regional office Birtamod.