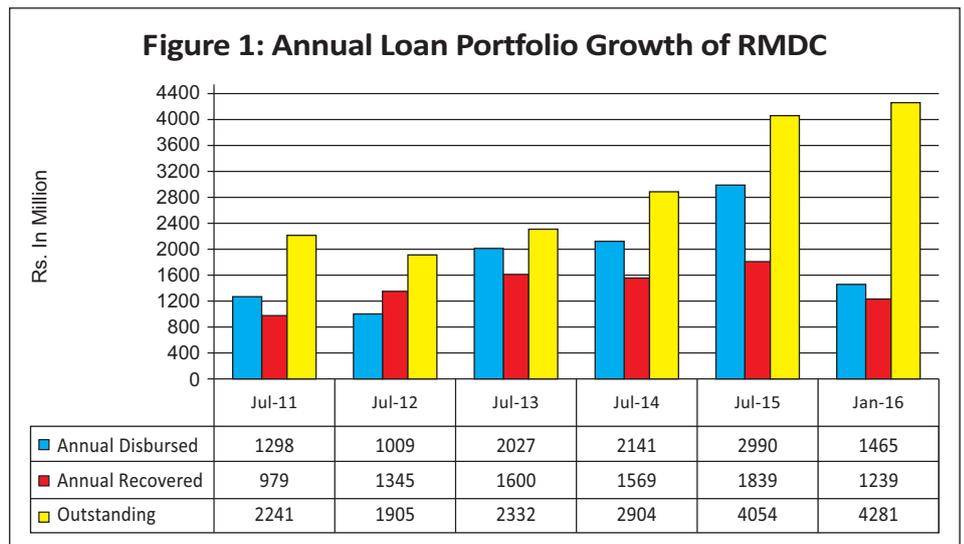


RMDC's Disbursement to MFIs Recorded at Rs. 15.45 billion

The Rural Microfinance Development Centre Ltd (RMDC) is a wholesale lender to microfinance institutions (MFIs) and cooperative societies providing microcredit to the poor in Nepal. Besides wholesale lending, RMDC has been extending institutional capacity building supports to the partner organizations (POs). RMDC disbursed loan amounting to Rs. 15.45 billion to 244 organizations for on-lending to the poor households till January 16, 2016. Loan recovery of RMDC has been hundred percent from the very first year of its operation. Recovering all due amount of Rs. 11.16 billion on time, RMDC's loan outstanding with its POs stood at Rs. 4.28 billion at the end of January 16, 2016. RMDC's loan portfolio growth on both disbursement and outstanding has been at an increasing trend from the very beginning of its operation (see Figure 1).



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RMDC Celebrated 17th Anniversary of its Establishment

RMDC celebrated its 17th Anniversary of its establishment on October 30, 2015 in Kathmandu.

The anniversary program was inaugurated by chief guest Dr. Chiranjibi

Nepal, Governor of Nepal Rastra Bank. Mr. Ashoke SJB Rana, Chairman of RMDC presided over the program. Mr. Jyoti Chandra Ojha, CEO of RMDC delivered an opening remarks in the ceremony.

The ceremony was attended by around 100 guests including senior officials of the Nepal Rastra Bank, current and ex-board members of RMDC, officials from commercial banks, donor agencies, microfinance institutions, policy makers and other stakeholders.

On the occasion, Mr. Jyoti Chandra Ojha, CEO of RMDC presented the progress status of RMDC. In the presentation, he highlighted that RMDC had already made partnership with more than 200 microfinance organizations and had outstanding loan balance of more than Rs. 4 billion with its POs at the end of the fiscal year 2014/15. He said that RMDC has been able to maintain excellent loan portfolio quality with a hundred percent loan recovery rate from the very first year of its operation.

(contd. on page 3...)



CEO of RMDC Mr. Jyoti Chandra Ojha Visited Bangladesh

Mr. Jyoti Chandra Ojha, Chief Executive Officer of RMDC visited Bangladesh from June 21 – 30, 2015. The purpose of the visit was to become familiar with the best microfinance practices followed by the world top MFIs in Bangladesh—Grameen Bank, BRAC, ASA and the Palli Karma-Sahayak Foundation (PKSF), an apex microfinance organization in Bangladesh.

During the visit, Mr. Ojha had a meeting with the Nobel Laureate and the Founder of Grameen Bank Prof. Muhammad Yunus, Prof. H.I. Latifee, Managing Director of Grameen Trust, Mr. Ratan K. Nag, General Manager of Grameen Bank, Mr. Abdul Salam and Babul Shah, Deputy General Managers of the Grameen Bank.

Likewise, he had visited PKSF, an apex microfinance organization, which was established by the Government of Bangladesh to provide financial assistance and institutional capacity building supports to MFIs in Bangladesh. He also was briefed on the program and activities of the PKSF during the visit. He had interaction with the Managing



Director Md. Abdul Karim and other Senior officials of PKSF. He enquired about the PKSF's process of operation, products and services, monitoring and supervision, capacity building, service delivery mechanism and the roles and responsibility of the staff.

During the visit, Mr. Ojha had discussed on various facets of microfinance with top level executives of MFIs in Bangladesh including Executive Director of IDF. Mr. Zahirul Alam, Executive Director of Credit and Development

Forum (CDF) Md. Abdul Awal, General Manager of BRAC Mr. Sahed Shams Azad, Executive vice-president of ASA MD. Fayzer Rahaman.

Mr. Ojha observed centers, branches and regional/area offices of Grameen Bank, IDF, ASA and BRAC. All these organizations have been providing microfinance services as well as other social services for the overall development of the poor families. He had also interacted with clients & visited borrower house and their projects.

At the end of the visit, there was a final round-up meeting with the Executive Director Mr. Zahirul Alam for sharing the experience of the visit. Mr. Ojha appreciated the best practices and cost effective modules adopted by the MFIs of Bangladesh. He emphasized to continue exchange visit program between two countries for learning and sharing experiences. Mr. Ojha was overwhelmed by the warm hospitality and their cooperation of Bangladeshi MFIs and was highly impressed with the activities of the institutions he visited.

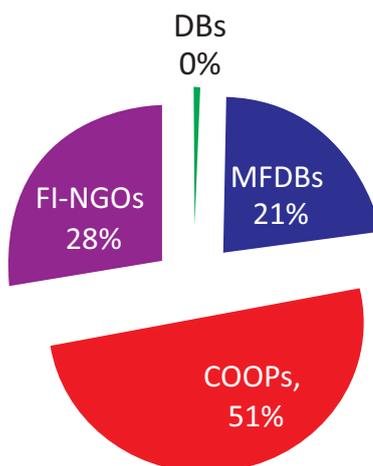


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RMDC's Disbursement ...

RMDC has made a considerable progress in the fiscal year 2071/072 BS(2014/15). It disbursed Rs. 2990 million to the POs and recovered Rs. 1839 million from them in the fiscal year. There was an increment of 42 new POs during this fiscal year.

The total number of POs of RMDC as of Poush 2072 was 244, among them 177 POs were active, which consisted of 148 cooperative societies, 12 financial intermediary NGOs, 1 development banks ('B' class bank) and 16 microfinance banks ('D' class financial institution).



The total loan outstanding amount with the partner cooperative societies stood at 50.94%, which is the highest figure among the different category of its partner organizations. As mentioned above and shown in Figure 2, cooperative societies came out as dominant type of partner organization of RMDC.

The partner FI-NGOs ranked second sharing 28.11% and MFDB's ranked third sharing 21% in the total loan outstanding amount (see Figure 2).

Nepal MFIs' Top Officials Visit the Philippines



RMDC completed an exposure visit program to microfinance institutions in the Philippines from May 24 to 30, 2015 for top officials of its partner MFIs. The purpose of the visit program was to observe and get acquainted with the ongoing practices of microfinance in the Philippines. The visit program was designed and coordinated by Ms Annapurna Shrestha, Manager of Social and Institutional Development Department from RMDC side and was facilitated by Microfinance Council of the Philippines (MCPI), a networking organization of the MFIs in the Philippines.

The team comprised of nine officials, led by the Chief Executive Officer of RMDC Mr. Jyoti Chandra Ojha and the team included Dr. Bhesh Prasad Dhamala, Chairman of Nerude Laghubitta Bikas Bank Ltd. Morang, Mr. Lila Nath Shrestha, Chairman of Srijana Community Development Centre, Siraha, Mr. Chandi Prasad Sharma, Executive Chairman and Mr. Dhurba Poudel Board member, of CYC, Baglung, Mr. Padma Bandhu Pokharel, Chairman of Unnati Savings and credit Cooperative Ltd. of Kaski, Mr. Purna Bahadur Chand, Chairman and Mr. Ganesh Bahadur Chand, CEO of Udayadev Savings and Credit Cooperative Ltd., Kanchanpur and senior officer of RMDC Mr. Basu Dev Lamichhane.

The team was firstly briefed on the socio-economic status and the microfinance scenario in the Philippines and the activities and programs of MCPI in country. The team had an opportunity to visit the Central Bank of the Philippines (BSP) and had a dialogue with its senior officials on the Central Bank's roles regulations and the supervision of microfinance sector in the Philippines.

The team visited CARD Bank Inc., which is the leading MFI in the Philippines. They visited Laguna Bay branch of the MFI and their clients. The participants visited TSPI, a prominent MFIs in the Philippine and ASHI, a Grameen bank replicator. The team also visited PCFC, a microfinance wholesale lending organization in the Philippines.



At the end of the visit, there was a review meeting at the MCPI office in the presence of its CEO Mr. Allan Sicat. The participants expressed their happiness and satisfaction on the excellent arrangements of the program. They also appreciated approaches and practices of the Philippine MFIs, particularly SME financing and the modality of mobile banking for their clients.

(contd. from page 1)

RMDC Celebrated

This has been possible due to prudent lending criteria & process it has adopted with close supervision and follows up of its partner organizations. He also highlighted objectives, approaches, capital structure, products, current challenges of microfinance strategies and way forward of RMDC.

On the occasion, chief guest, Dr. Nepal gave a certificate of appreciation to ex-board members of RMDC Mr. Manmohan Kumar Shrestha, Mr. Kiran Kumar Shrestha, Mr. Ramjee Regmi, Mr. Anil Kumar Shrestha and Ms. Sadhana Upadhyay, in acknowledgement of their substantial contribution to the growth and development of RMDC. Similarly, he gave certificate of best partnership award to eight partner organizations of RMDC. The award receiving partner organizations were Forward Community Laghubitta Bittiya Sanstha Ltd., Sunsari; Jeevan Bikash Samaj, Morang; Sana Kisan Krishi Sahakari Sanstha, Bara; Kisan Bahuuddesiya



Sahakari Sanstha Ltd., Kailali; Baudha Grameen Bahuuddesiya Sahakari Sanstha Ltd., Surkhet; Maitri Bahuuddesiya Sahakari Sanstha Ltd., Gulmi; Mahila Sahayogi Sahakari Sanstha Ltd., Kathmandu; Navodaya Bahuuddesiya Sahakari Sanstha Ltd., Jhapa.

On the same occasion, he also gave certificate of appreciation to six staffs of RMDC who completed 10 years of service at RMDC.

Honorable Governor Dr. Nepal, highlighted the current economic situation of Nepal particularly the contribution of the foreign remittance

to the GDP of the country as a large mass of population work aboard due to lack of employment opportunities in the country. He opined to be self reliant with maximum utilization of local resources in the country. Dr. Nepal also thanked RMDC for its contribution to raise the financial access to poor household through its partner organizations. He appreciated the microfinance institutions for providing need based financial supports to the rural poor for self-employment generation.

The program successfully concluded with a documentary show of RMDC's history, achievements and progress.

Training on Branch Management



RMDC organized three-day training on Branch Management from March 10-12, 2015, in Kathmandu. There were a total of 35 branch managers from various partner MFIs of RMDC.

The training program was coordinated by Ms. Annapurna Shrestha, Manager of RMDC and was facilitated by herself, Mr. Pritha Bahadur Thapa, Mr. Roop Bahadur Khadka Manager of RMDC and Mr. Bhoj Raj Bashyal, General Manager of Nirdhan Utthan Bank Ltd.

The training basically focused on the key aspects of management, roles and responsibilities of a manager, financial analysis, planning and budgeting program, delinquency management, client protection and management, monitoring and supervision and risk management.

The participants in the closing session said that the training program was very fruitful and relevant. They expressed that it was a great opportunity for them to learn many things related to their job responsibility as a branch manager. At the end of the program, the participants were found highly energetic and enthusiastic.

During the closing ceremony, CEO Mr. Jyoti Chandra Ojha, expressed his satisfaction over the outcome of the training and he suggested all the participants to implement the knowledge gained from the training, in their respective organizations. He also distributed certificates of achievement to the participants and congratulated all the participants for completing the training successfully.



RMDC Completed Annual Review Workshops of Partner MFIs

RMDC has been organizing annual review workshops for its partner MFIs since the last ten years with a view to examine progress and achievements and set strategies to resolve problems and challenges encountered in their operations. RMDC organized four annual review workshops in F/Y 2071/72. The first workshop was held in Pokhara from November 24-25, 2014. The Western Regional Annual Review Workshop had a total of 60 participants from 26 different MFIs operating in the region. The second workshop for the Central Regional Microfinance Institutions was held in Kathmandu from December 14-15, 2014. The total no of participants were 70 representing from 33 MFIs. The third workshop was held in Nepalgunj from January 27-28, 2015. The Workshop was attended by a total of 77 participants representing 36 partner organizations of the mid-western and far Western Region. The fourth and the last workshop was held in Biratnagar for Eastern Region partner MFIs from February 9-10, 2015. The total no. of participants was 44 representing 24 MFIs. The participants were chairpersons, chief executive officers, microfinance operation managers of MFIs and cooperatives.

The objectives of the workshops were to review their operations, identify problems and challenges, strengths and weaknesses and share each other's experiences. The workshops were coordinated by Ms Annapurna Shrestha, Manager of RMDC. In her welcome remarks, she highlighted the background and objective of the workshop and urged the participants to come up with workable strategies to cope with the problems and the challenges faced by the MFIs and cooperatives.



The annual workshops were chaired by CEO of RMDC, Mr. Jyoti Chandra Ojha. In his opening remarks, Mr. Ojha expressed that this kind of workshop would provide feedback for improving RMDC's way of doing business and help develop strategies for future. He added this kind of forum also facilitate sharing of experiences between MFIs that would help reduce level of poverty in the country and promote employment opportunity for the unemployed youth scaling up the investment in the area. He wished that this forum would develop solidarity, unity and coordination among the MFIs.

Acting Assistant General Manager of RMDC Mr. Ram Dayal Rajbansi highlighted the importance of this type of workshops as they give an opportunity to the MFI partner organizations to discuss the issues and problems faced in the field and help to come out with appropriate solution measures at the end. He also appreciated the great contribution of microfinance institutions towards increasing access of finance for the poor in the regions. He also said that the workshops help develop networking among the MFIs.

On the first day of the workshops, the participating MFIs presented their progress, problems and challenges and the various activities undertaken by them. Then the major problems and issues were identified by the participants with facilitation of RMDC officials.

After presentation by the microfinance institutions, RMDC Mr. Rajbansi and Senior Manager Mr. Tirtha Ratna Konajo facilitated identification of problems. The major problems came out were multiple financing, over indebtedness of clients, increasing default, high rate of clients dropout, inadequate supervision of clients, misuse of loan, staff dropout, etc.

On the second day, all the participating MFIs were divided into small groups. Each group was given 4-5 problems for discussion. After discussion in groups, each group presented in the class the causes of the problems, appropriate solution measures and responsible persons/authority for implementation of the measures. Manager of RMDC Mr. Pritha Bahadur Thapa facilitated the group discussion. At the end of the workshops, participants came up with a pledge as to improve their microfinance operations and quality of services to the target families.



RMDC Organized Training on Financial Analysis for Partner Cooperatives



The training on "Financial Analysis for Partner Cooperatives" was organized from November 26-27 in Pokhara by RMDC. It was participated by 26 officials including Chairpersons, Operation Managers and Senior Accountants of 16 partner cooperatives of RMDC.

The main objective of the training was to make the participants aware with financial and portfolio analysis tools so that they can properly assess their organizations' financial status and can make appropriate decisions, prepare

plans and strategies to improve their financial health and attain sustainability in the future. The major topics included in the training were: concept of financial analysis, formatting of financial statements and their relations with each other, financial portfolio analysis, efficiency, productivity, profitability tools, etc.

The methodology of the training was participatory and exercise based. The resource persons of the training were Mr. Pritha Bahadur Thapa, Manager and

Mr. Basu Dev Lamichhane, Senior Officer of RMDC. The training program was coordinated by Ms Annapurna Shrestha, Manager of RMDC. During the closing session, participants expressed that they had acquired a lot of knowledge and skills in financial analysis. Mr. Thapa urged all the participants to apply the knowledge and skills acquired on the training on their respective jobs. Ms Annapurna Shrestha thanked all the participants and the resource persons for their contribution and active participation in the training.

Partnership between RMDC and Sambridha Pahad for Increasing Financial Access to the Poor

Rural Microfinance Development Centre Ltd. (RMDC) and Sambridha Pahad UK joined hands for increasing financial access to the poor in the Eastern hilly areas of Nepal. Mr. Jyoti Chandra Ojha, CEO of RMDC and Mr. Arun Rana CEO of Sambridha Pahad UK signed an MOU on January 25, 2015 for the partnership. RMDC is a wholesale lending organization in Nepal. The main function of RMDC is wholesale lending to MFIs. Besides, it has been extending

institutional capacity building supports to MFIs. Sambridha Pahad (SP) works to improve the livelihoods of people living in the hills and mountains of Nepal through sustainable access to finance and appropriate livelihood opportunities. It aims to reduce poverty by supporting communities in remote areas of Nepal through increased access to finance, information, knowledge and skills, as well as by building their capacity to organize and use these

resources to obtain more control over their lives and livelihoods. As per the MOU, SP identifies potential local financial institutions and links them with RMDC for financial support. SP also develop institutional capacity of financial intermediaries in order to make them eligible for getting wholesale credit from RMDC. The partnership between RMDC and SP has helped increase financial access to the poor in the Eastern Hilly Region.

Nepali Microfinance Practitioners Visit Bangladesh Microfinance Program

RMDC in collaboration with the Integrated Development Foundation (IDF), Bangladesh organized a study/exposure visit for two teams to Bangladesh from October 04-13, 2015 and November 29-December 8, 2015 with the purpose for giving an exposure to the Nepalese Microfinance Practitioners about the best practices of microfinance in Bangladesh. They visited the top MFIs like Grameen Bank, BRAC, ASA and IDF etc.

The team observed centers, branches and regional/area offices of Grameen Bank, IDF, ASA and BRAC. All these organizations have been providing microfinance as well as other social services to poor families.

The exposure visit has given the opportunity to the participants on how these organizations are running their microfinance programs as well as other credit plus programs. The main lesson the team learnt is that for the sustainable development of clients, value added program like solar energy, education, health, sanitation etc. must be integrated into the microfinance program.

The first team in the study visit program comprised Mr. Gopal Poudyal, Vice President & Mr. Shovakhar Sharma, Manager of Small Farmer Agriculture Cooperative Ltd, Semlar; Mr. Parsuram Sapkota, President & Mr. Dinesh Kumar Ghimire, Manager of Small Farmer Agriculture Cooperative Ltd, Parroha; Mr. Khagendra Raj Neupane, Manager



of Chandannath Multipurpose Cooperative Ltd.; Ms. Shanta Devi Gyawali, President & Ms. Netra Kumari Subedi Gyawali, Manager of Small Farmer Agriculture Cooperative Ltd, Khadwabangai; Mr. Lekhnath Aryal, Treasurer & Mr. Bhagawan Bhattarai, General Manager of Unnati Saving and Credit Cooperative Ltd., Pokhara. The team was coordinated by Mr. Sanjeev Acharya, officer of RMDC.

And members in the second team of the study visit program were, Mr. Badri Dulal, CEO, Mirmire Microfinance Development Bank Ltd, Kavre; Mr. Kumar Yakso, CEO, Nagbeli Microfinance Development Bank, Jhapa; Mr. Indra Kumar Shah, CEO, Kisan Microfinance Development Bank, Accham; Mr. Tulsi Nath Paudel, Manager, Bhadrakali Multipurpose Cooperative Ltd, Rupandehi; Mr. Yadav Prasad Aryal, Chairman, Parichit Saving and Credit Cooperative Ltd, Rupandehi; Mr. Bam

Bahadur Khadka, Chairman, Maitri Multipurpose Cooperative Ltd, Gulmi, Mr. Gopal Bhattarai, Senior Manager, Sahara Nepal Saving and Credit Cooperative Ltd, Jhapa; Mr. Kashi Nath Nepal, Manager, Sahara Nepal Saving and Credit Cooperative Ltd, Jhapa; and Ms. Radha Pokhrel Thapa, Chairperson, Pragatishil Women Development Multipurpose Cooperative Ltd., Rupandehi. The team was coordinated by Ms. Sweta Shrestha, Junior Officer of RMDC.

Overall the study visits has helped the participants acquire knowledge relating to the different strategies that could be incorporated in their strategies so as to become competent and sustainable MFIs. They expressed their satisfaction on learning from the visit and showed their commitment to use the gained knowledge in their respective organizations.



RMDC Developing MFIs Branch Managers' Capacity

The Rural Microfinance Development Centre Ltd. (RMDC) had organized a three day training on Branch Management from Oct. 18-20, 2015. It was held at Trade Tower, Kathmandu. There was a total of 37 Branch Managers from the various partner microfinance institutions of RMDC.

The objective of the training was to help branch managers manage their branch offices efficiently and effectively. This program has helped the participants get acquainted with basic norms of microfinance and equip them with tools of managing a branch.

The training basically focused on the key issues regarding roles and responsibilities of a branch manager, financial analysis, planning and budgeting, delinquency management,

client protection management, monitoring and supervision and risk management. The program focused on sharing experiences among the participants.

The training program was coordinated by Ms Annapurna Shrestha, Manager of RMDC. It was facilitated by Mr Tirtha Ratna Konajo, Acting Assistant General Manager, Mr Pritha Bahadur Thapa, Ms Annapurna Shrestha, Mr Roop Bahadur Khadka Managers of RMDC and Mr Bhoj Raj Bashyal, General Manager of Nirdhan Utthan Bank Ltd.

The participants in the closing session said that the training program was very fruitful and relevant to their work. They expressed that it was great opportunity for them to learn many things to their needs related to their job responsibility as a



branch manager. At end of the program they were found highly energetic and excited.

Mr Jyoti Chandra Ojha, CEO of RMDC in his closing remarks expressed his satisfaction over the outcome of the training and suggested all the participants to use the knowledge gained from the training in their respective organizations. Finally, Mr Ojha said "Training would be successful only if the knowledge gained could be put into action by the participants". He also distributed certificates of achievement to the participants and congratulated them for completing the training successfully. He also thanked all the participants, resource persons and coordinator for conducting training excellently.



RMDC's 17 AGM approves 10 % Bonus share and 16.32% cash dividend to its shareholders

RMDC convened its 17th Annual General Meeting on January,11, 2015 at Trade Tower, Kathmandu. The meeting approved the Balance Sheet, Profit & Loss Account and Cash Flow of the fiscal year (FY) 2014/15. In the FY 2014/15, according to the report, RMDC has earned Rs. 228.76 million profit. The AGM approved to distribute 10% bonus share and 16.32% (with tax) Cash dividend to its shareholders from the profit of fiscal year 2014/15.

RMDC now has authorized capital of Rs. 1 billion, issued & paid up capital of Rs. 572 million and has a total net worth of Rs. 1.52 billion.

Till the fiscal year 2014/15, out of total loan outstanding of Rs.13.98 billion, RMDC disbursed Rs. 9.93 billion and

recovered Rs.4.5 billion as repayment. RMDC does not have any overdue loan till the date. It has been operating in profit from its inception. The partner MFIs of RMDC alone has been providing microfinance services to about 1.5 million poor households of the country till the end of the fiscal year 2014/15. On the same period, RMDC provided training support to 22,303 staff and officials, and 772,923 clients of MFIs.

On the occasion, chairman Mr. Ashoke Shumser Rana has urged the financially



sustainable MFIs to spend certain portion of their profit on the social development of clients and expand their microfinance services in the remote areas of hills and mountains where financial services have not reached yet.