

Women Cooperative Society Ltd. (WCS)

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Brief History

Women Cooperative Society Ltd (WCS) is an autonomous organization registered under the cooperative Act 1992 and established in 1993 by a group of 28 women promoters. It is the first and only women organization providing general banking services in Nepal. It is registered by the Nepal Rastra bank (central bank) to conduct limited banking services through its banking office located at Kathmandu. It also provides microfinance services to the poor women in rural areas following the Grameen Bank model, with the mission of uplifting the socio-economic conditions of women through financial services.

Methodology

WCS first conducts a brief survey in the village Development committee (VDC). If the survey result is satisfactory, then a PRA is used to identify the potential target household. Subsequently, WCS organises 7-10 days pre-group training.

WCS offers various microcredit products to its client to support their income-generating activities, such as general loan, seasonal loan, housing loan, center fund loan, group saving loan.

It also offers microsavings services through products such as group saving, personal saving, center fund saving and life and housing protection scheme. WCS is planning to offer a livestock insurance scheme as well.

Area of Operations

WCS operates its microfinance program in various VDCs of Kathmandu valley (Kathmandu, Lalitpur and Bhaktapur district). It runs 4 branches in Kathmandu valley covering 57 VDCs. Most of the VDCs are located in the hills, and reached by public bus then by foot (1.5 hours walk) in order to conduct center meetings.

Clients

The microfinance program of WCS has served a population of 32,004 in Kathmandu valley through 5,334 households.

Active clients	Active savers	Active borrowers	Gender
5,334	5,334	3,155	100% women

*As of June 2004
(Microfinance program only)*

Poverty Focus

WCS provide microfinance services to those families who are landless, marginal landholders, tenants and the agro and non-agro laborers of Kathmandu valley. The families own less than 0.25 hectare of dry/sloppy land in rural areas and/or have an annual per-capita income less than US\$100.

WCS objective is to uplift the socio-economic conditions of rural poor women by providing an easy access to credit, bringing women into development mainstream. Mobilizing savings also ultimately contributes to the national program of poverty alleviation.

Average Loan Outstanding	Average outstanding loan size / GNP per capita	Average deposit size
Rs. 7529	44%	Rs. 1680

As of June 2004

Distinctive Features

WCS is not only a financial service provider serving poor rural women but also a development facilitator. WCS provides non-financial services to its clients such as pre-group training, refresher training, various skill development training, and health and hygiene awareness program, literacy program etc. Beside WCS also runs a girls' education program, which includes a scholarship program to its client's daughters.

Innovations

WCS offers a life and housing protection insurance scheme to its clients, which includes compensation to clients in the case of house damage by natural calamities and death of the clients or her husbands.

Financial Results

As of June 2004, WCS's microfinance program has disbursed Rs. 86.25 million in loans and has collected Rs. 8.96 million in saving deposits. WCS microfinance program has improved its self-sufficiency ratios in the last four years, and expects to generate profit in 2004. Beside its microfinance operations, the WCS Banking office has always generated profit and distributed a dividend of 10 to 15%.

Loan Portfolio	Portfolio at risk	Savings Deposits	OSS ¹ / FSS ²	RoE / RoA
Rs. 23,753,847	2%	Rs. 8,960,607	128% / n/a	n/a

As of June 2004

Challenges and Development Plans

n/a.

Inclusion in the Financial Sector

WCS conducts limited banking services through its banking office located at Kathmandu, which generates regular profit for WCS. The banking office owns a 12% share of Swabalamban Bikas bank.

Sources

- Information provided by WCS

¹ OSS – Operational Self-Sufficiency

² FSS – Financial Self-Sufficiency