

Development Banking Field Staff Exposure Visit to Mahindra Finance, India

A team from the Development Banking Division visited Mahindra & Mahindra Financial Services Limited (Mahindra Finance), India between the 10th and 13th February 2014, under the auspices of the Agriculture Finance Support Facility (AgriFin), a special initiative on Agriculture Finance, managed by the World Bank with the support of the Bill and Melinda Gates Foundation. The visit was totally financed by AgriFin. The idea in embarking on this visit was to experience first-hand innovative practices adopted, bring back and implement such practices which are appropriate to Sri Lanka.

HNB expressed its interest to visit Mahindra Finance with a view to gain an insight into their business strategy, operations and experiences in agriculture equipment financing, in particular financing of tractors for farmers, following the introduction to Mahindra Finance at the Financing Agriculture Forum 2013 organized by AgriFin and held in Colombo. HNB was a co-sponsor of this forum, facilitating the field visits consisting of a visit and study tour of a tea factory and a cinnamon processing facility both in the Galle District in the Elpitiya – Ambalangoda area.

The team from HNB consisted of seven field officers engaged in agriculture, rural and micro finance across the network. The four days visit included (i) presentations and discussions with a branch manager and operational staff at a Nagpur branch and regional office to learn their operations on tractor finance; (ii) discussions with a tractor dealer of Mahindra & Mahindra Limited (M&M); (iii) interviews with customers who received tractor loans from Mahindra Finance; and (iv) a tour to the M&M Nagpur tractor factory. The visit concluded with a wrap-up discussion with senior management at the headquarters of Mahindra Finance in Mumbai.

The delegates from HNB gained valuable insights from this visit. The feedback highlighted how they were able to gain and understand how Mahindra Finance reduced transaction cost by using technology, especially through hand held devices. Use of technology could increase the efficiency of transaction, enable better communication, facilitate quicker "service delivery" between the financial institution and its clientele. They were of the view that the use of such devices could be extended to other services such as payment of utility bills, mobile top up payments, deposits and insurance broking in such manner that the Bank can respond to its customers at their door step. Even at present, customers of HNB have to travel to the nearest branches to service their loans and access most other facilities. The delegates were able to gain a deeper understanding in relation to customer interaction, that it is critical to explore more efficient ways of reaching customers and to service the customer needs and also ensure high rates of recovery, particularly in remote and rural areas. Whilst the distance of travel between villages and branches in Sri Lanka are relatively less when compared to India, a financial institution facilitating convenient ways of accessing financing services will go towards reducing many of the constraints faced by its customers.

HNB has a close working relationship with the major tractor dealers in Sri Lanka. Through the M&M factory visits and interaction with its dealers, the delegates were able to realize that, understanding of products brings about better awareness in terms of value of assets financed, the needs of the farmers and pricing of the loans. They were of the view that a closer alliance with the dealers, combining equipment marketing, sales and finance would boost the activities of both the manufacturers and the Bank and help expand the individual businesses.



Delegates in order from left:
B Prasath, D Karunanayake, G Douglas, N Weerakoon, T Coorey,
D Gunasekara, A Dissanayake



Reported By: The Delegates

Agri Executives Attend Post-Harvest Technology Training Program, Thailand

The Japan-Sri Lanka Technical & cultural Association (JASTECA) organized post-harvest technology training program in Bangkok, Thailand in March 2014. The training program was especially designed for senior managers / executives / owners / academics from agriculture industries and organizations to give exposure and enhance knowledge in post-harvest technology. The main objective of this exposure was to determine and understand the ways and means practiced by the Thai Farmers in minimizing operational losses in the food sector supply chain on every unit produced. Agriculture executives of HNB, Mr. W T L Weerasinghe and Mr. N P K Chandrasekara attached to Polonnaruwa and Nuwara Eliya Branches respectively attended this seven day program.



3 days hydroponic culture Lettuce Sorting & grading grapes Packed oranges Dried packed orange Solar powered aquarium

The perishable nature of fruits and vegetables and the climatic conditions of Thailand (temperature, relative humidity, heavy rains, droughts and floods) leads to losses if not for proper postharvest technologies. Thus, several strategies are used by the Thai Farmers to minimize post-harvest losses from farm level to the end consumer level.

The training consisted of visits and workshops at integrated agriculture farms, Hydroponic farms, food processing factories and Department of Horticulture at the Kasetsat University- Kampaengsaen. The highlight of the visit was the training on processed food and packaging industry of Thailand, which is a major contributory factor to the reduction of post-harvest loss. In addition, use of sustainable energy solutions such as solar, wind and bio-diesel for activities such as water pumping, lighting, aeration and generating power.



Reported By: The Delegates

HNB "Gami Pubuduwa" (GP) Program Celebrates 25 Successful Years

Special Message from Deputy General Manager – DB, Mr. A P L Fernando



Hatton National Bank (HNB) has been committed to providing financial services in rural areas and to more vulnerable populations since its inception in 1888. In 1989, HNB embarked on the two key initiatives. One was to recognize the need to create access to youth with greater engagement. The Bank's financial literacy program now popularly known as "Divi Saviya" - Danumen Diyunuwata (Strength to Life - Progress through Knowledge) is one. This is a systematic engagement process. The other was the Micro-financing program "Gami Pubuwudwa" (Village reawakening) program managed by young professional barefoot bankers and loan officers in creating future entrepreneurs.

"Gami Pubuduwa", by introducing those graduating from Micro Finance to the SME sector, also contributes towards boosting the Small and Medium Scale business of the Bank. During the 25 years in operation, the program under the purview of Development Banking Division has directly financed over 300,000 micro-entrepreneurs, developing them to be commercially viable. The Bank has even been recognized internationally, winning accolades from the World Bank, Asian Bankers Association and the United State Agency for International Development (USAID), among others.



I urge those involved in Development Banking activities both in the Network and Head Office to continue the good work and take both Micro Finance and Rural / Agro Finance to greater heights as we celebrate 25 years of the internationally acclaimed "Gami Pubuduwa" Program.

HNB Gami Pubuduwa (GP) 25th Anniversary Trade Fairs – 2014



- Eastern Region – Kallady Sivananda School Grounds
- South Western Region – Delkanda Shopping Complex
- Central Region – Kandy City Center
- Greater Colombo Region – Kadawatha Branch
- North Western Region – Minuwangoda Divi Neguma Pola
- North Central Region – Nochchiyagama Sathi Pola
- Uva Sabaragamuwa Region – Wellawaya Public Sports Grounds

Exposure Study Tour to HNB on Agri/Micro Finance by Amret, Cambodia

HNB facilitated and conducted an exposure study tour for Amret Microfinance on agri/micro finance. This was funded by the World Bank AgriFin. Amret Microfinance Institute is one of the leading institutions in Cambodia involved in agriculture/rural lending. Most of its 46 branches are located in rural district towns and 94% of its borrowers live in the villages. Amret's microcredit activity was created in 1991 in the context of a rural development project. Originally providing only group loans, Amret started providing individual loans in 1995, first in villages, then in district and provincial towns through a network of branches. In 2000 it transformed into a private limited company. Amret also has offered deposit products since autumn 2009, such as current accounts, planned savings, and term deposits. In addition, Amret has recently launched an inter-branch transfers system.

The comprehensive 04 day study was attended by 06 senior level officers led by Head of Credit of Amret Mr. Y Chheng. On day one, the team met with MD/CEO Mr. Jonathan Alles at his office prior to commencing the study tour. Further discussions were held with the Development Banking Team on agri/micro finance. The team was taken to HNB Dambulla on day two where they were exposed to branch operations, strategies, marketing & sales, internal controls, monitoring and had discussions with loan officers. The day ended with a visit to the famous Dambulla Cave Temple.



Delegates at the field



Mr. Y Chheng presenting a memento to MD/CEO

Day three and four were fully dedicated for field visits showcasing the world renowned barefoot banker concept and HNBs value chain financing and corporate partnerships. The team had first-hand experience of client assessment by observing the Field Officer on day three followed by a visit to a dairy processing farm at Dambulla owned by Mr. P D I D Gunawardane aged 27 years. The day ended with a visit to the Sigiriya (Lion Rock), a UNESCO listed World Heritage Site. The visit to CIC agri farm in Palwehera was the highlight of the study tour. It consisted of exposure into protected agriculture, organic farming, micro irrigation, rice cultivation, hi-tech agriculture, fruit/vegetable nursery, tissue culture and small holder client financing, technology transfer, value chain financing and corporate partnership. HNB and CIC are in a corporate partnership in financing small holder farmers of CIC with buyback arrangements. En route the team was taken to the Buddhist Temple of Sacred Tooth Relic in Kandy. The Team from HNB handling logistics and accompanying the visitors consisted of seven Development Banking staff engaged in agriculture finance.

Reported By: P Jayawardena – PRM (DB)



Delegation with the Manager & Staff of HNB Dambulla

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