

(FEBRUARY, 2025)

QUARTERLY NEWSLETTER



FY 2081/82-Q2

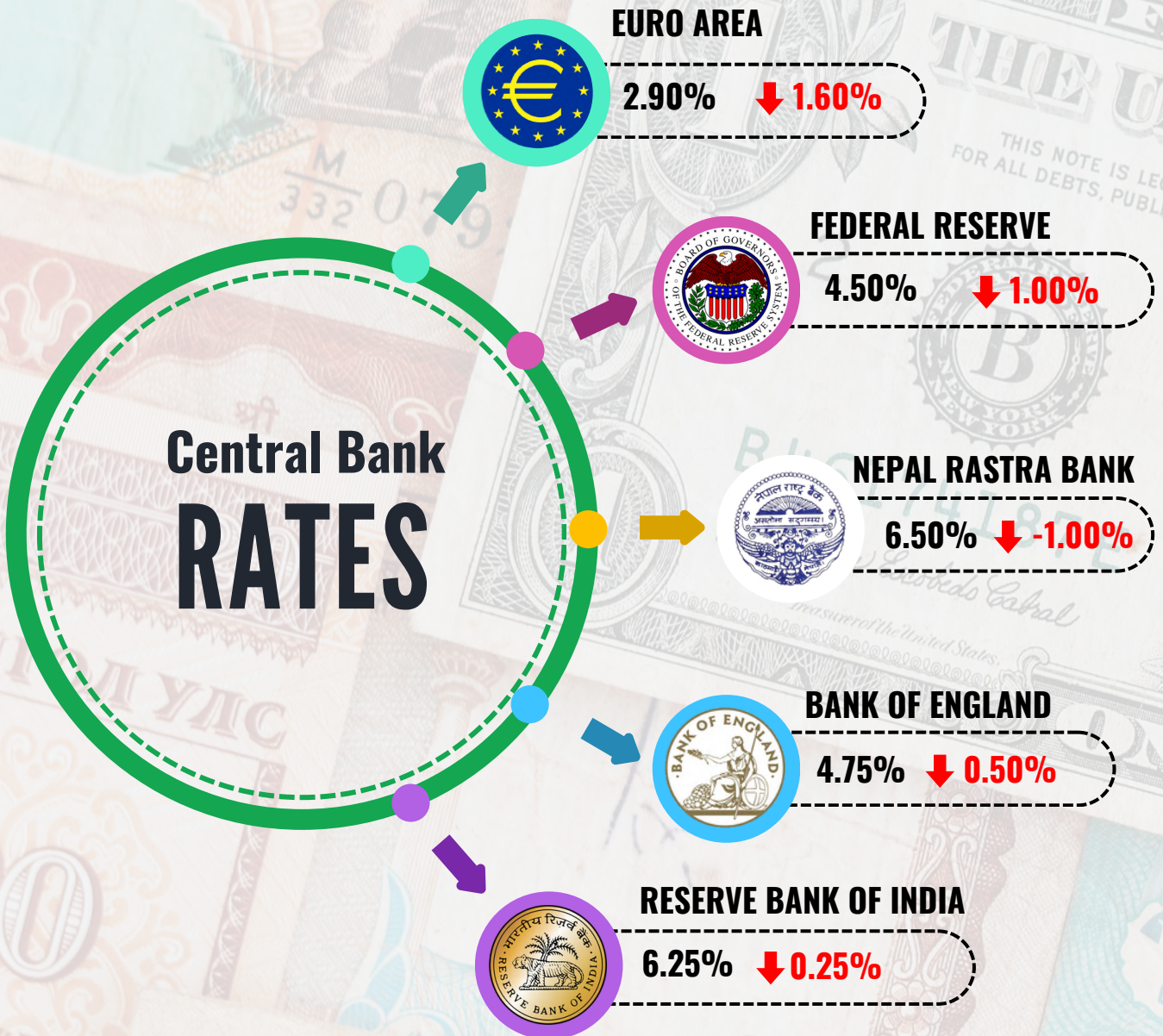
MID OCTOBER 2024 TO MID JANUARY 2025
(KARTIK 2081 TO POUISH 2081)



PUBLISHED BY NEPAL BANKERS' ASSOCIATION



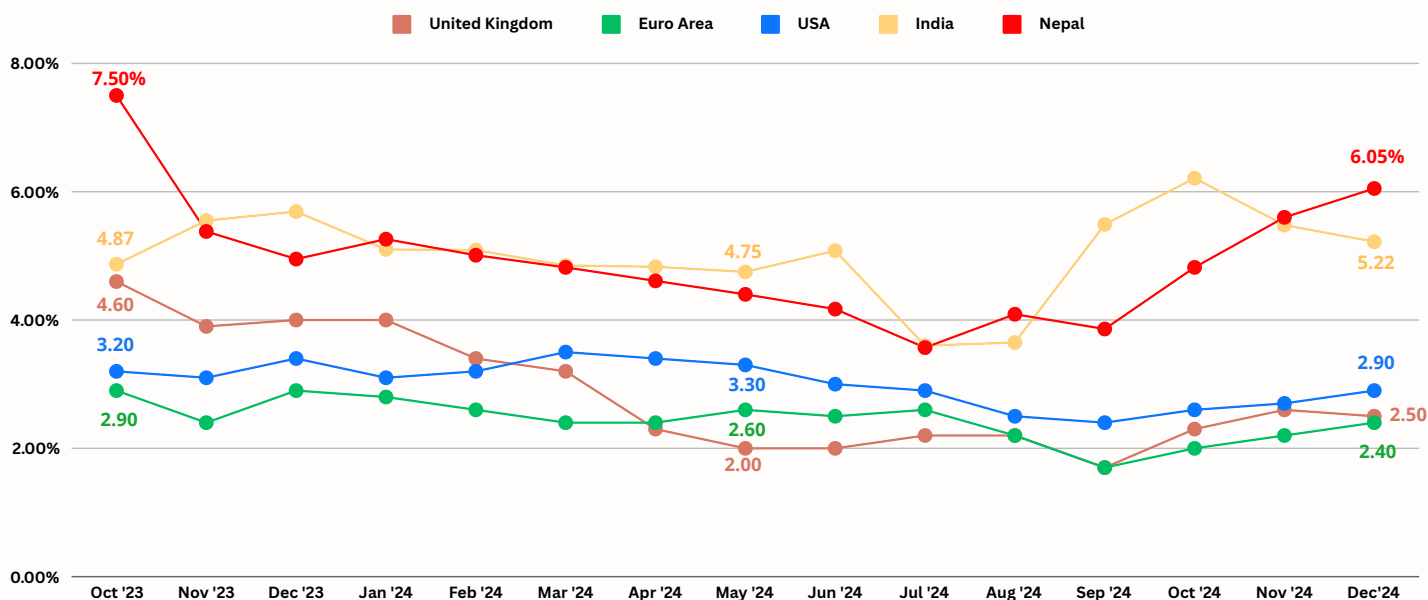
GLOBAL SCENARIO



Jan 2024 to Jan 2025

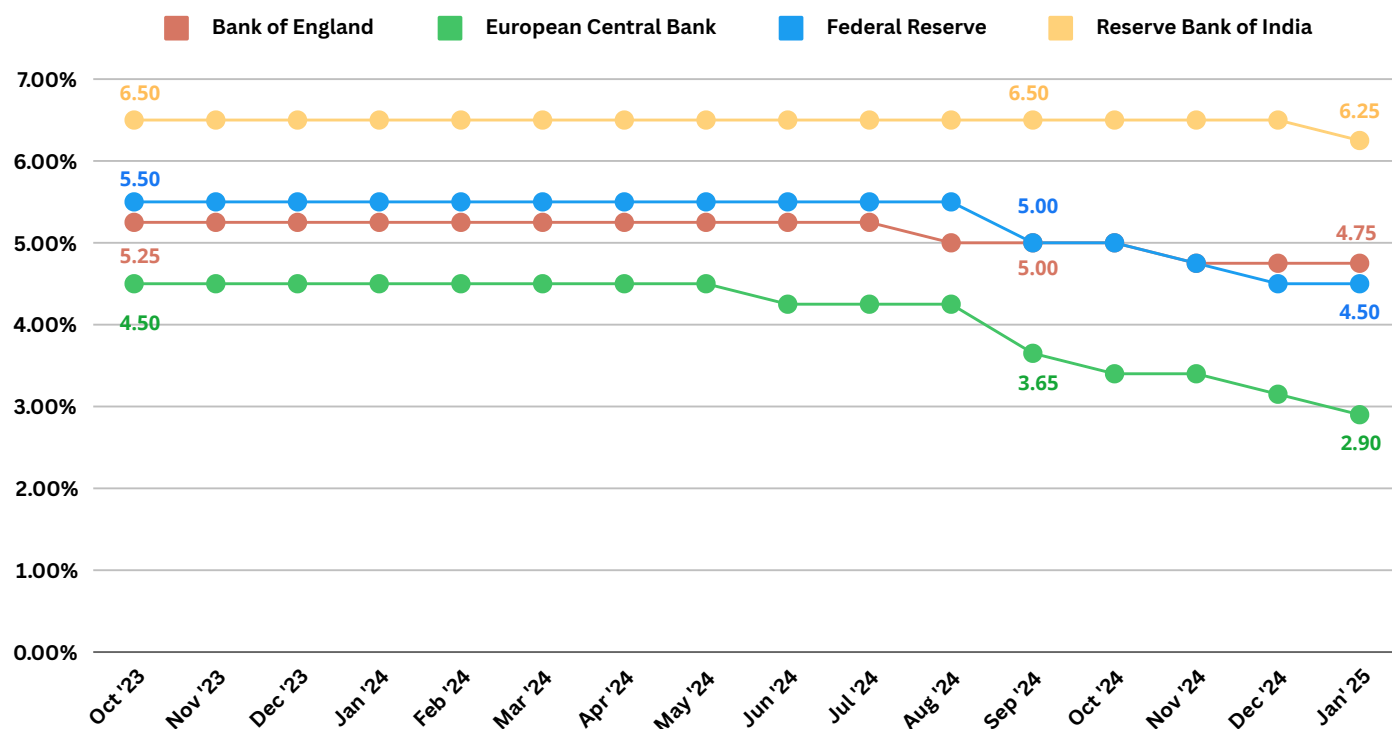
Source: Respective Central Banks

Inflation in Major Economies (in %)



Source: Respective Central Banks

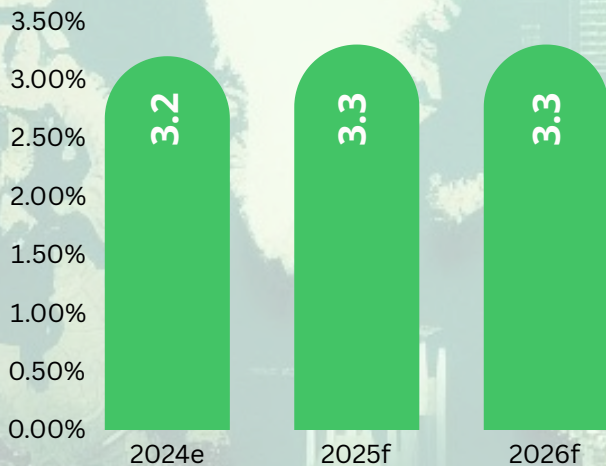
Central Bank's Interest Rate in Major Economies (in %)



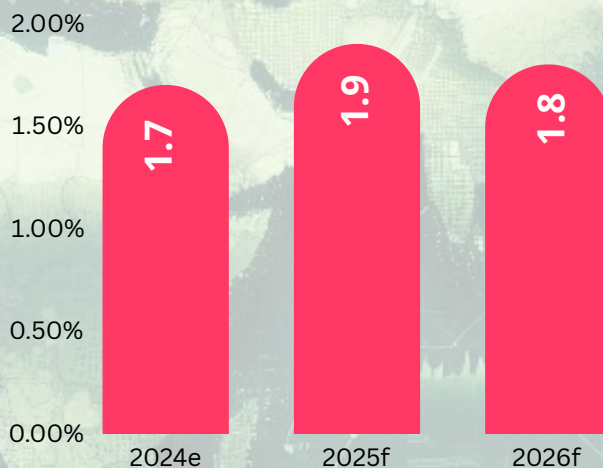
Source: Respective Central Banks

World Bank Projections

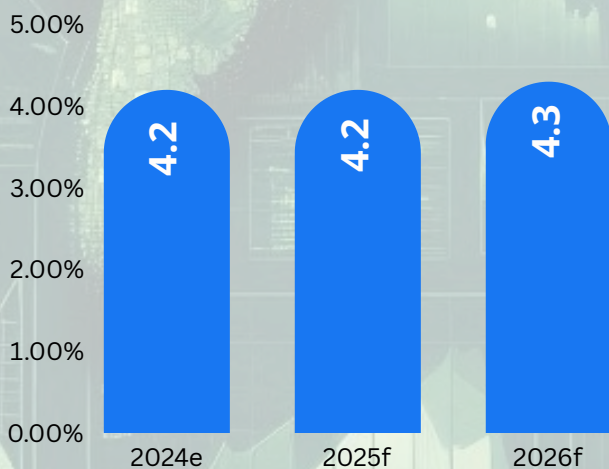
Real GDP Growth Projections (in %)



GLOBAL ECONOMY



ADVANCED ECONOMIES



EMERGING MARKET AND DEVELOPING ECONOMIES

Source: Global Economic Prospects, January 2025

e - estimated
f - forecast

Asian Development Bank Projections

GDP Growth Projection (in %)

	2024 September	2024 December	2025 September*	2025 December*
Developing Asia	5.0	4.9	4.9	4.8
Developing Asia (excluding China)	5.1	5.0	5.2	5.1
Caucasus and Central Asia	4.7	4.9	5.2	5.3
East Asia	4.6	4.5	4.2	4.2
South Asia	6.3	5.9	6.5	6.3
Southeast Asia	4.5	4.7	4.7	4.7
The Pacific	3.4	3.4	4.1	4.1

Inflation Projection (in %)

	2024 September	2024 December	2025 September*	2025 December*
Developing Asia	2.8	2.7	2.9	2.6
Developing Asia (excluding China)	5.1	4.9	4.5	4.2
Caucasus and Central Asia	6.9	6.8	6.2	6.2
East Asia	0.8	0.6	1.3	1.1
South Asia	7.0	6.9	6.1	5.4
Southeast Asia	3.3	3.0	3.2	3.1
The Pacific	3.6	3.6	4.1	4.1

Source: Asian Development Outlook, December 2024

* Projected

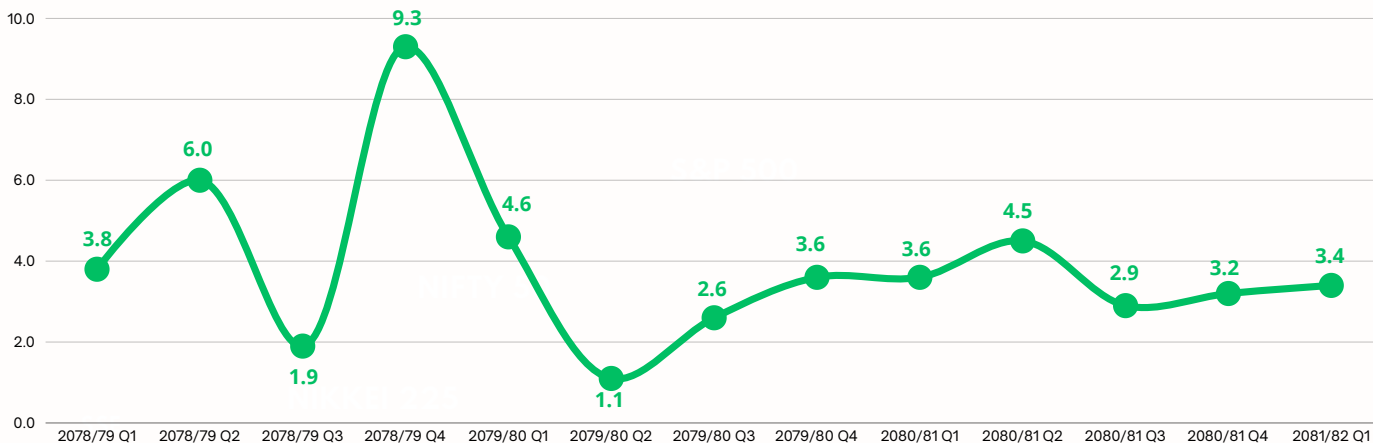


NATIONAL CONTEXT

Macroeconomic Indicators

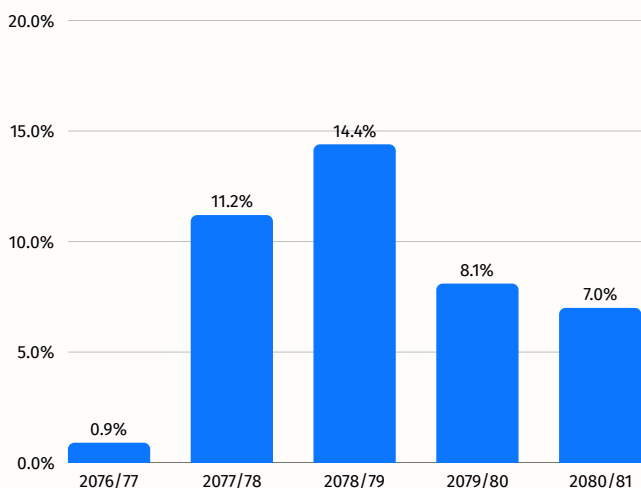
Quarterly GDP Growth

in Percentages



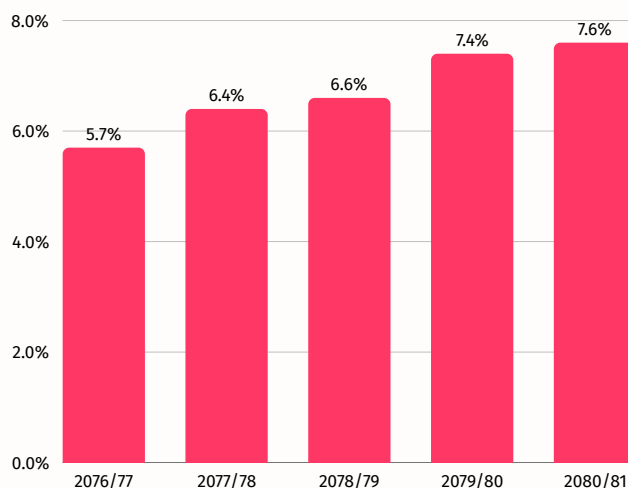
Source: National Statistics Office

Gross National Income (GNI) Growth



Source: NRB

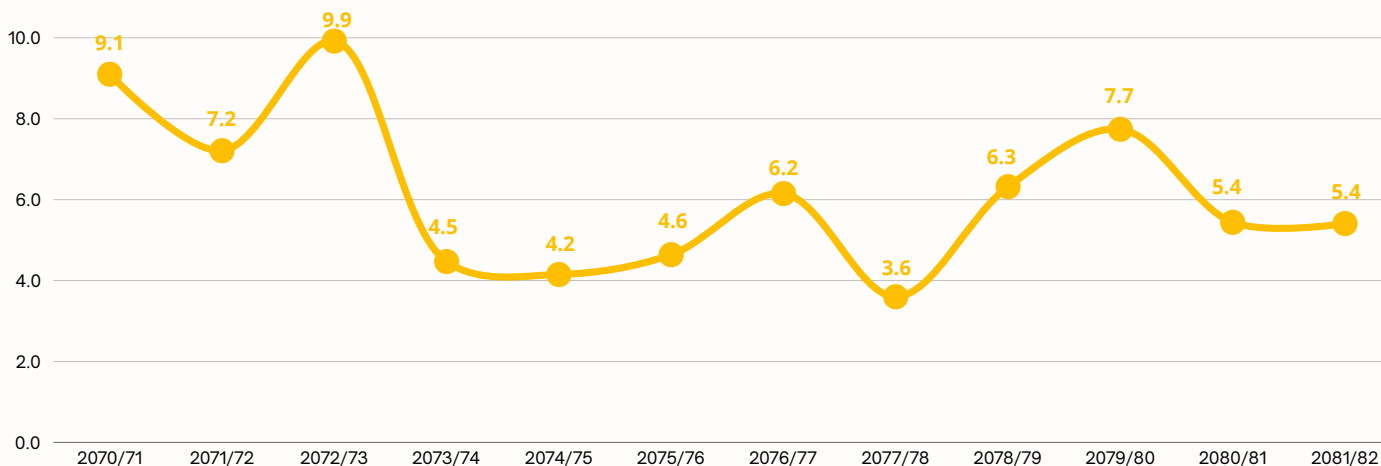
Gross Domestic Savings / GDP



Source: NRB

Inflation (Y-O-Y)

in Percentages



Source: NRB

Number of New Industry Registration

SCALE	TOTAL UPTO FY 2080/81	IN FY 2081/82 Q2	TOTAL UPTO FY 2081/82 Q2
Large Industry	1419	24	1443
Medium Industry	2139	17	2156
Small Industry	5961	297	6258
TOTAL	9519	338	9857

Source: Department of Industry

Labour Approval In FY 2081/82 Q2

Details	Male	Female	Total
New Individual	28,359	7,383	35,742
Recruiting agency	73,738	8,002	81,740
Re Entry	94,368	8,321	102,689
GG (EPS Korea & Isreal, UK)	2,133	170	2,303
Grand Total	198,598	23,876	222,474

Source: Department of Foreign Employment

Skill Type	Male	Female	Total
High Skilled	182	85	267
Professional	1,016	168	1,184
Semi-skilled	21,769	2,275	24,044
Skilled	123,702	15,024	138,726
Unskilled	51,929	6,324	58,253
Grand Total	198,598	23,876	222,474

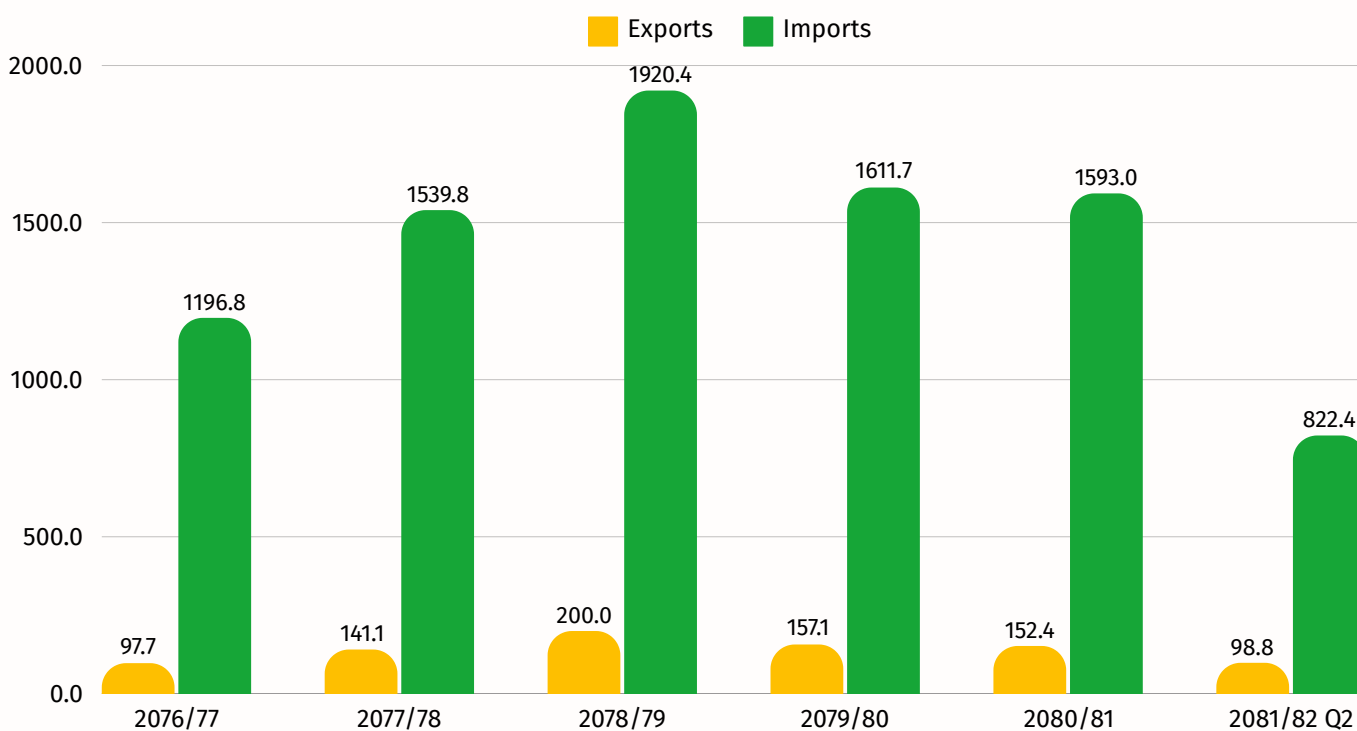
Source: Department of Foreign Employment



EXTERNAL SECTOR

Exports and Imports

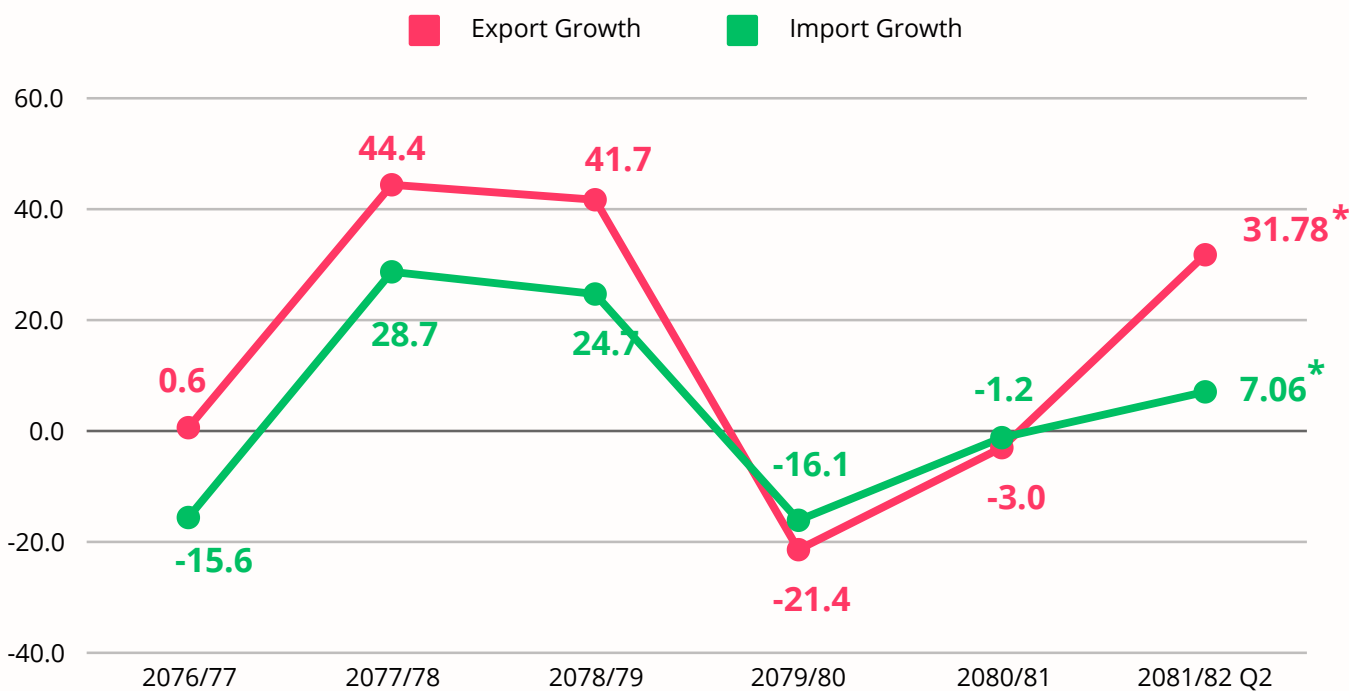
Amount in Billions (Rs.)



Source: Department of Customs

Export and Import Growth

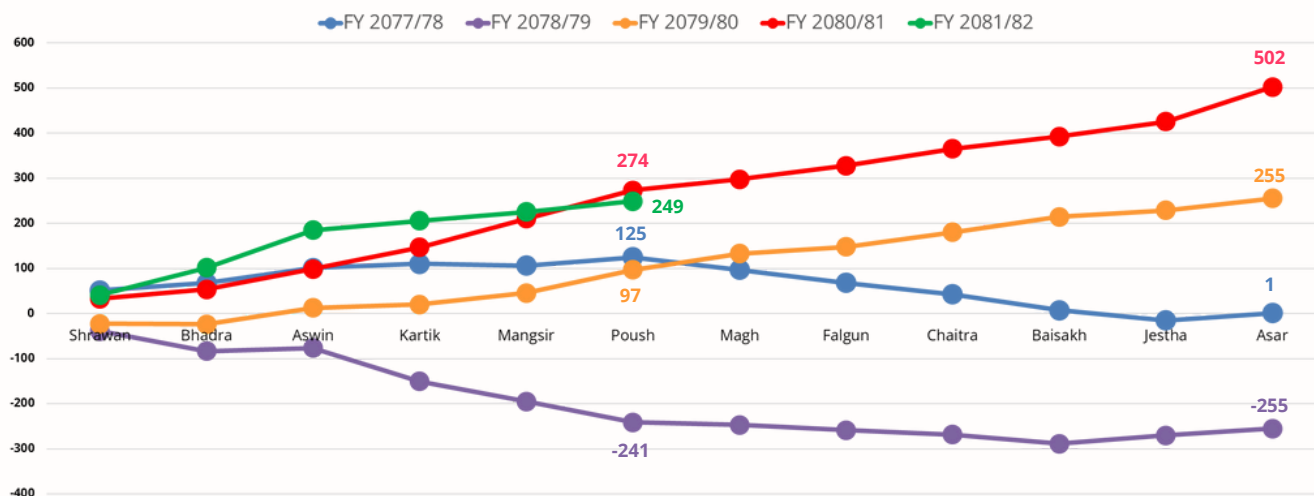
in Percentages



Source: Department of Customs

Balance of Payment

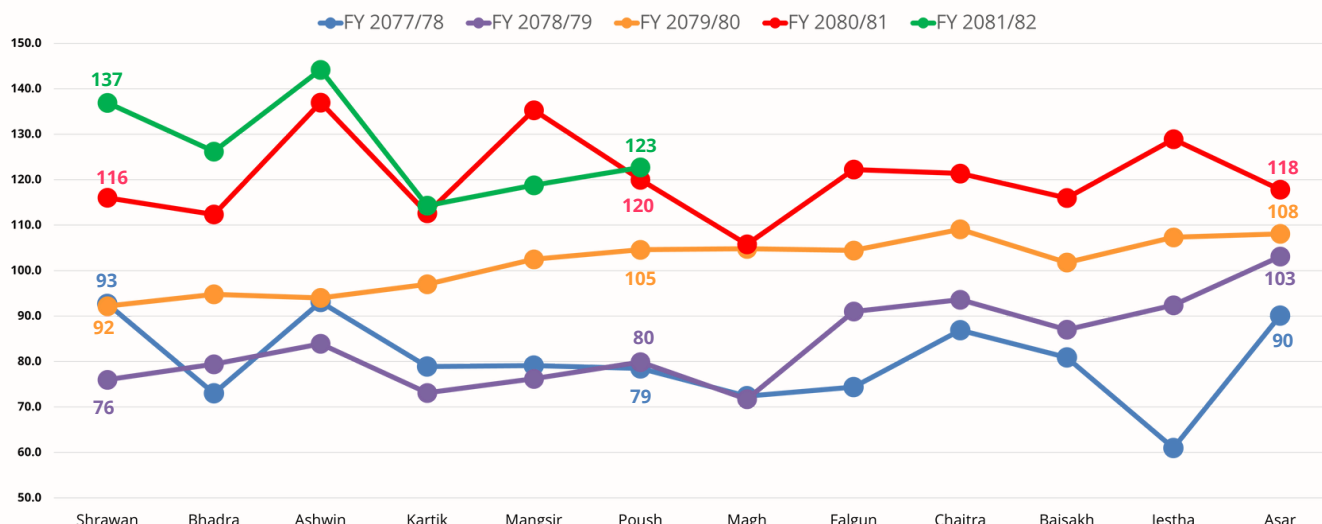
Amount in Billions (Rs.)



Source: NRB

Inward Remittance

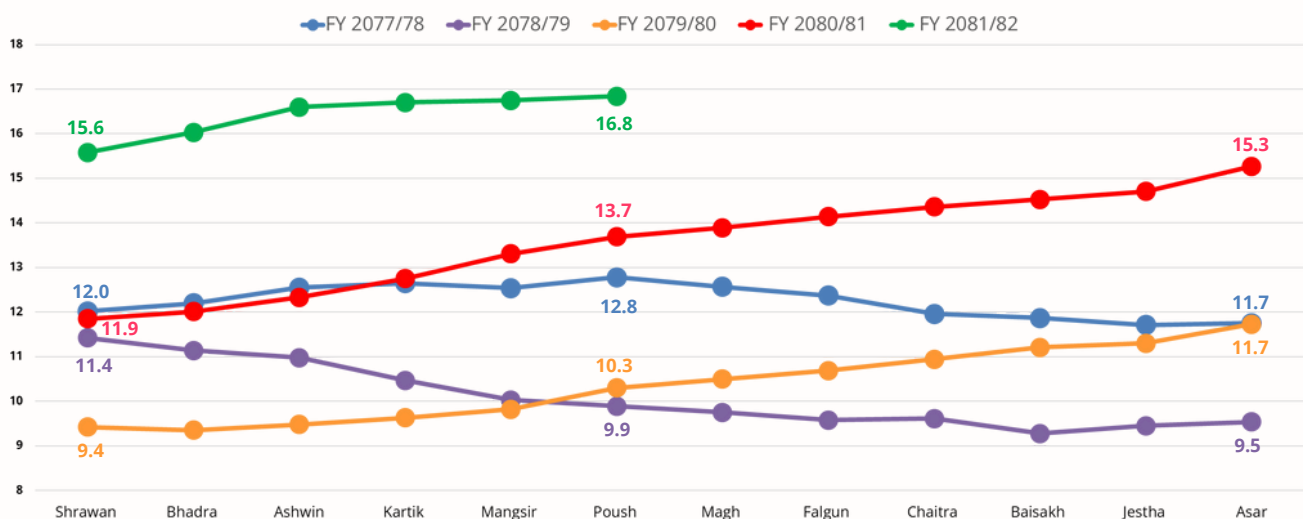
Amount in Billions (Rs.)



Source: NRB

Gross Foreign Exchange Reserves

Amount in Billions (USD)



Source: NRB



PUBLIC FINANCE



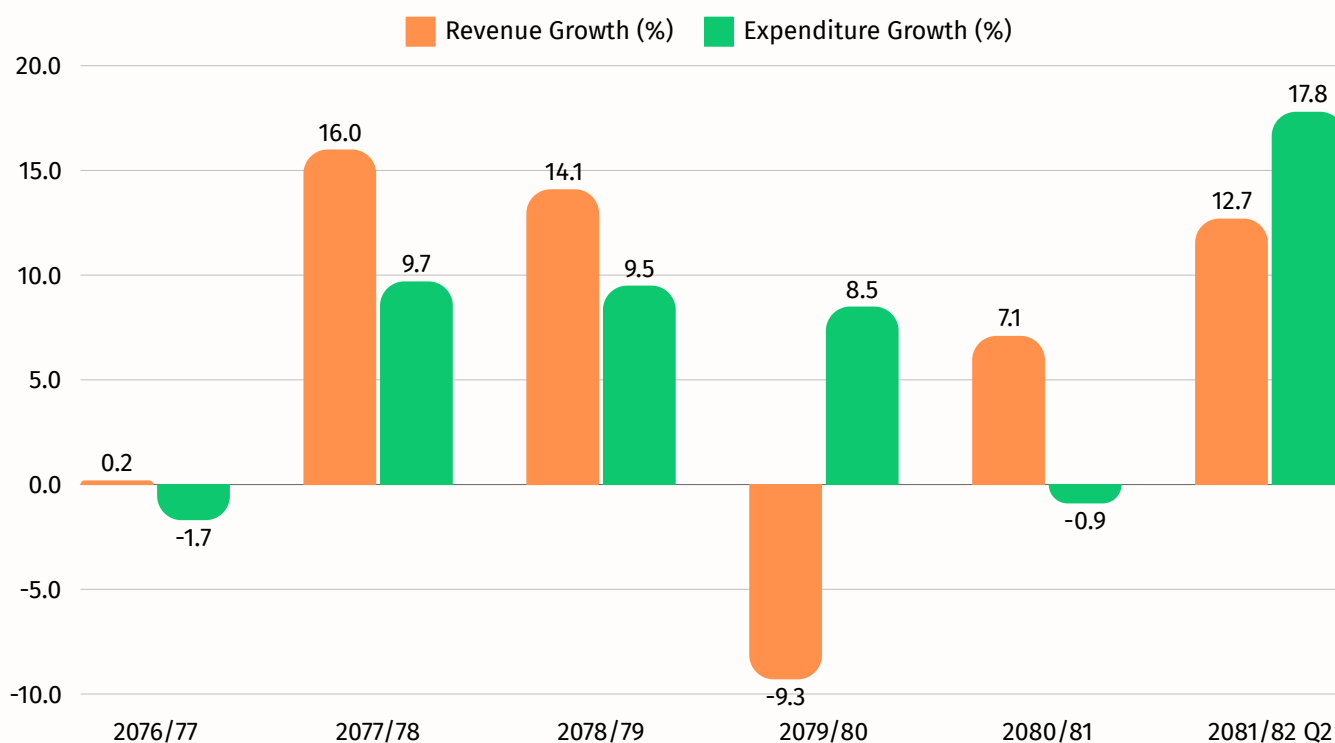
Government Revenue and Expenditure

Amounts in Lakh (00000)

	2080			2081		
	Target/Budget	Poush 29	Percentage	Target/Budget	Poush 29	Percentage
REVENUE:						
1. Revenue	14,225,417	4,964,998	34.90%	14,193,030	5,596,074	39.43%
a) Tax Revenue	13,054,796	4,435,520	33.98%	12,842,096	4,893,992	38.11%
b) Non-Tax Revenue	1,170,621	529,478	45.23%	1,350,934	702,082	51.97%
2. Grants	499,430	27,580	5.52%	523,265	73,706	14.09%
3. Other Receipts	0	188,978	0%	0	77,899	0%
TOTAL RECEIPTS OF GON (1+2+3):	14,724,847	5,181,556	35.19%	14,716,295	5,747,679	39.06%
EXPENDITURE :						
1.Total Expenditure from Treasury (a+b+c)	17,513,121	5,666,213	32.35%	18,603,030	6,676,019	35.89%
a. Recurrent	11,417,841	4,373,812	38.31%	11,406,645	4,520,030	39.63%
b. Capital	3,020,744	492,358	16.30%	3,523,540	569,350	16.16%
c. Financing	3,074,536	800,043	26.02%	3,672,845	1,586,639	43.20%

Source: Financial Comptroller General Office

Government Revenue and Expenditure Growth



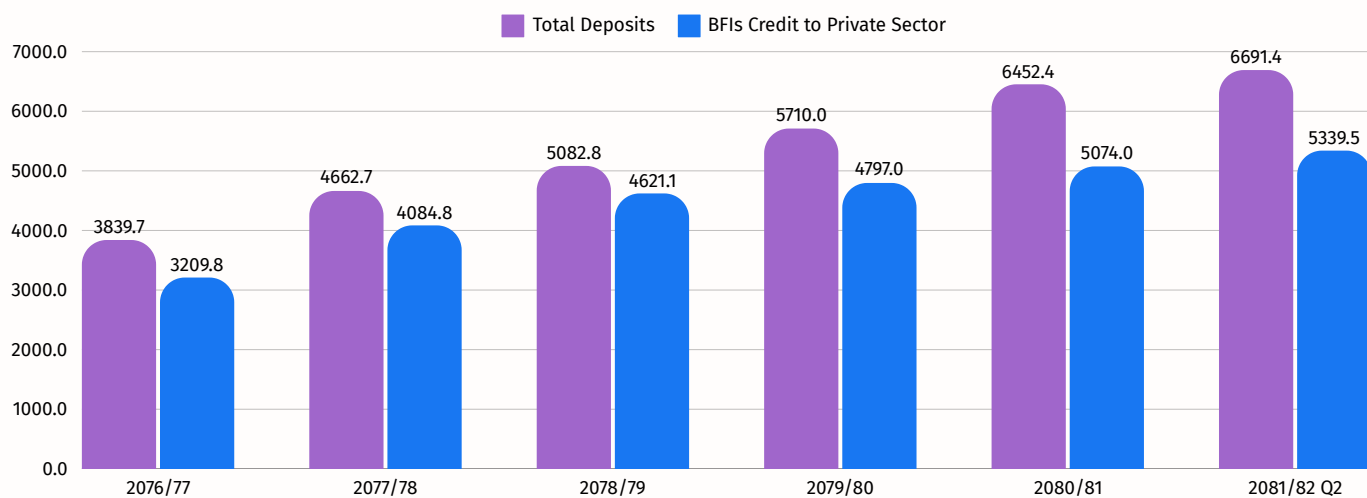
Source: NRB



BANKING SECTOR

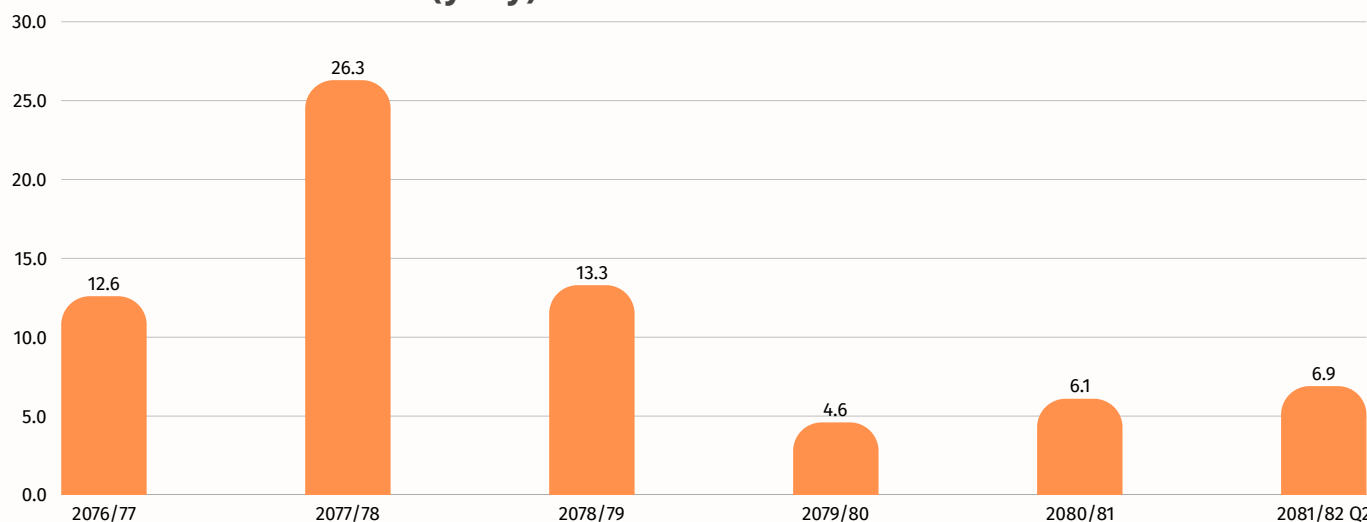
Total Deposit and Credit of BFIs

Amount in Billions (Rs.)



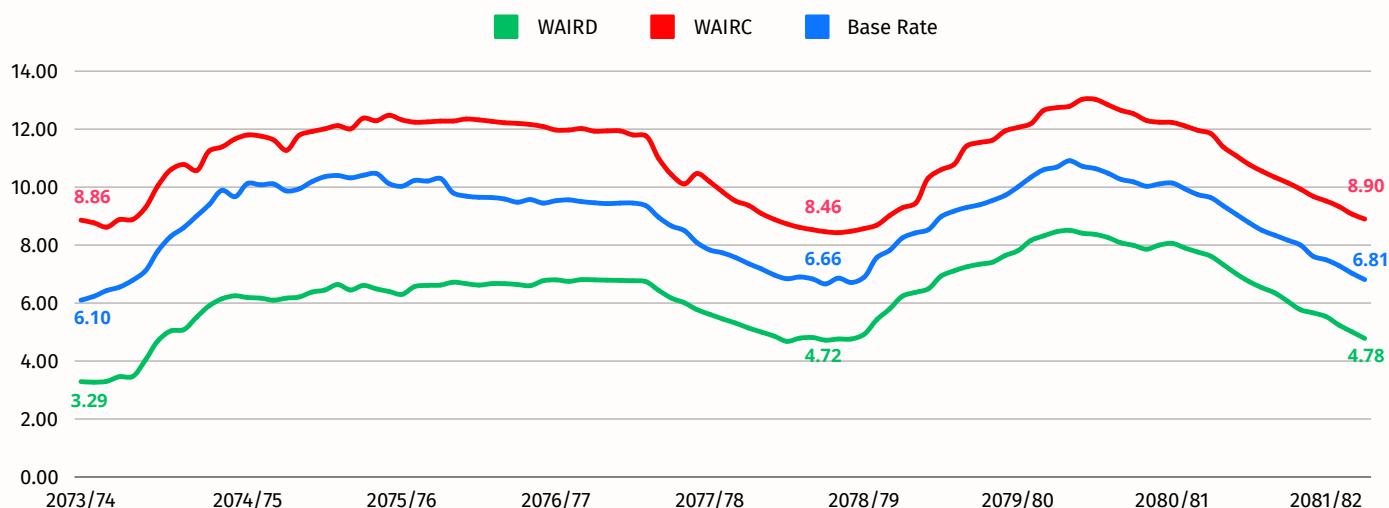
Source: NRB

Claims on Private Sector (y-o-y)



Source: NRB

Base Rate and Weighted Interest Rates of Commercial Banks



Source: NRB

Deposit & Lending of Commercial Banks

FY 2080/81

	Amount in Billions (Rs.)		Amount in Billions (Rs.)	
	Shrawan 1, 2080	Poush 29, 2080	Growth	Growth (%)
Deposit	5086	5430	344	6.76%
Lending	4318	4498	180	4.17%

FY 2081/82

	Amount in Billions (Rs.)		Amount in Billions (Rs.)	
	Shrawan 1, 2081	Poush 29, 2081	Growth	Growth (%)
Deposit	5755	5988	233	4.05%
Lending	4571	4816	245	5.35%

Source: Nepal Bankers' Association

Sector-wise Lending of Commercial Banks

	Amounts in Billion (Rs.)		CHANGES SINCE	(%)CHANGES SINCE
	Poush 2080	Poush 2081	Poush 2080	Poush 2080
Agricultural and Forest Related	327.89	321.14	(6.74)	-2.06%
Fishery Related	14.16	14.78	0.62	4.38%
Mining Related	11.45	11.12	(0.33)	-2.87%
Agriculture, Forestry & Beverage Production Related	812.38	893.70	81.32	10.01%
Construction	187.12	198.61	11.49	6.14%
Electricity, Gas and Water	324.54	395.80	71.26	21.96%
Metal Products, Machinery & Electronic Equipment & Assemblage	69.85	69.56	(0.29)	-0.42%
Transport, Communication and Public Utilities	93.77	67.06	(26.71)	-28.49%
Wholesaler & Retailer	912.18	958.78	46.61	5.11%
Finance, Insurance and Real Estate	311.70	353.08	41.38	13.28%
Tourism Services	193.21	211.47	18.26	9.45%
Other Services	185.72	192.26	6.54	3.52%
Consumption Loans	813.84	886.46	72.62	8.92%
Local Government	1.18	1.18	0.00	-0.03%
Others	236.87	241.63	4.76	2.01%
TOTAL	4,495.84	4,816.63	320.79	7.14%

Source: NRB

Product-wise Lending of Commercial Banks

Amounts in Billion (Rs.)

			CHANGES SINCE	(%)CHANGES SINCE
	Poush 2080	Poush 2081	Poush 2080	Poush 2080
Term Loan	1,577.10	1,751.14	174.04	11.04%
Overdraft	91.76	85.66	(6.09)	-6.64%
Cash Credit Loan	615.44	613.22	(2.22)	-0.36%
Trust Receipt Loan/Import Loan	77.75	129.73	51.97	66.84%
Demand & Other Working Capital Loan	774.32	799.32	25.00	3.23%
Residential Personal Home	306.11	322.05	15.94	5.21%
Real Estate Loan	210.98	229.91	18.93	8.97%
Margin Nature Loan	65.86	91.54	25.68	38.99%
Hire Purchase Loan	108.34	112.00	3.66	3.38%
Deprived Sector Loan	268.90	258.63	(10.27)	-3.82%
Bills Purchased	4.86	8.34	3.48	71.58%
Other Product	394.42	415.09	20.67	5.24%
TOTAL	4,495.84	4,816.63	320.79	7.14%

Source: NRB

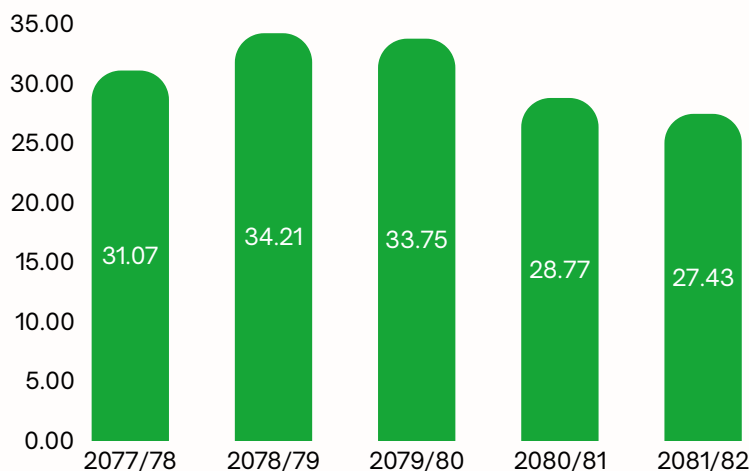
Financial Access of Commercial Banks

			CHANGES SINCE	(%)CHANGES SINCE
	POUSH 2080	POUSH 2081	POUSH 2080	POUSH 2080
NO. OF BRANCHES	5,019	5,078	59	1.18%
NO. OF DEPOSIT ACCOUNTS	45,911,042	49,651,137	3,740,095.00	8.15%
NO. OF LOAN ACCOUNTS	1,534,416	1,605,815	71,399.00	4.65%
NO. OF BRANCHLESS BANKING CENTERS	1,204	1,048	-156	-12.96%
NO. OF MOBILE BANKING CUSTOMERS	20,006,586	22,535,858	2,529,272.00	12.64%
NO. OF INTERNET BANKING CUSTOMERS	1,279,818	1,487,355	207,537.00	16.22%
NO. OF ATMS	4,673	4,845	172	3.68%
NO. OF DEBIT CARDS	11,736,515	12,117,170	380,655.00	3.24%
NO. OF CREDIT CARDS	304,655	304,588	-67	-0.02%
NO. OF PREPAID CARDS	166,347	216,309	49,962.00	30.03%

Source: NRB

Avg. Net Profit of Commercial Banks

Amount in Billions (Rs.)

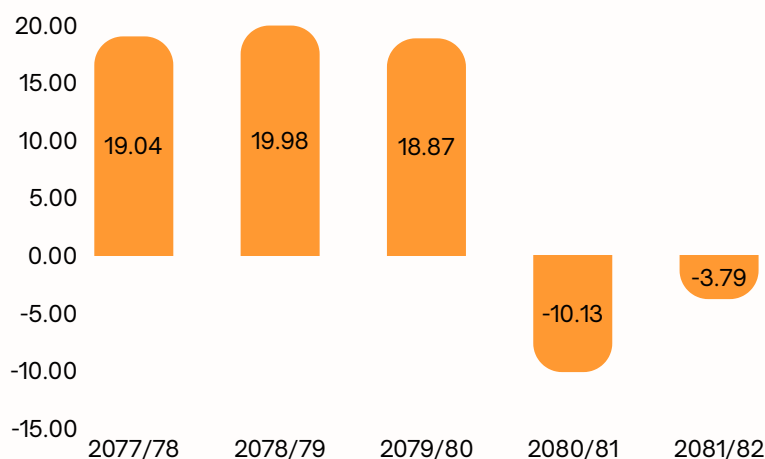


Source: Unaudited Q2 Reports of Commercial Banks

Net Profit
27.43 billions

Avg. Distributable Profit of Commercial Banks

Amount in Billions (Rs.)

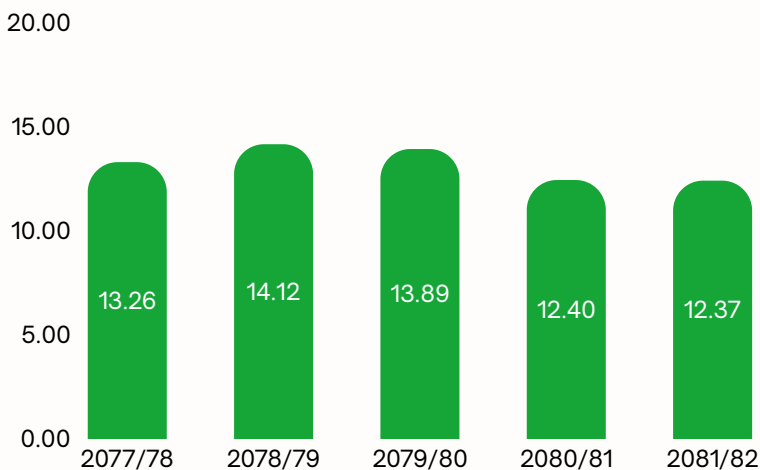


Source: Unaudited Q2 Reports of Commercial Banks

Distributable Profit
-3.79 billions

Avg. Income Tax Paid of Commercial Banks

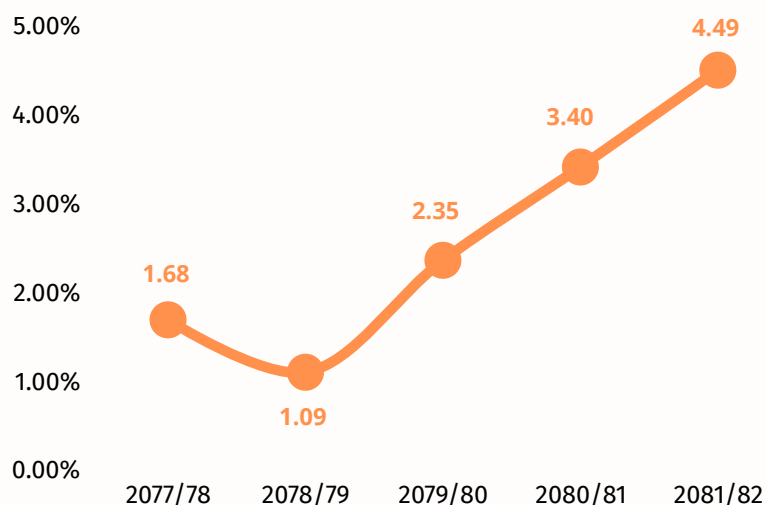
Amount in Billions (Rs.)



Source: Unaudited Q2 Reports of Commercial Banks

Income Tax
12.37 billions

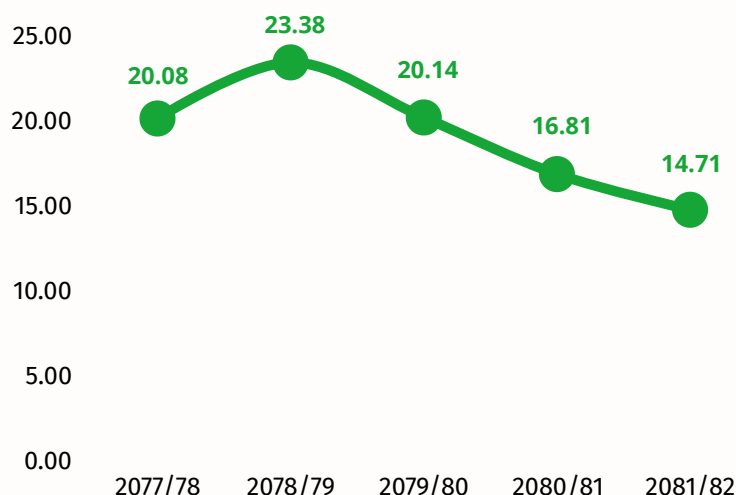
Avg. Non Performing Loans of Commercial Banks



Source: Unaudited Q2 Reports of Commercial Banks

Non Performing Loan
4.49%

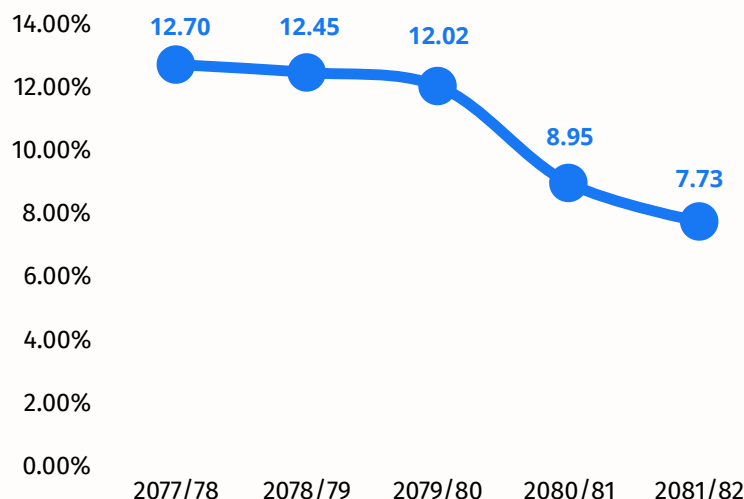
Avg. Earning Per Share of Commercial Banks



Source: Unaudited Q2 Reports of Commercial Banks

Earning Per Share
14.71

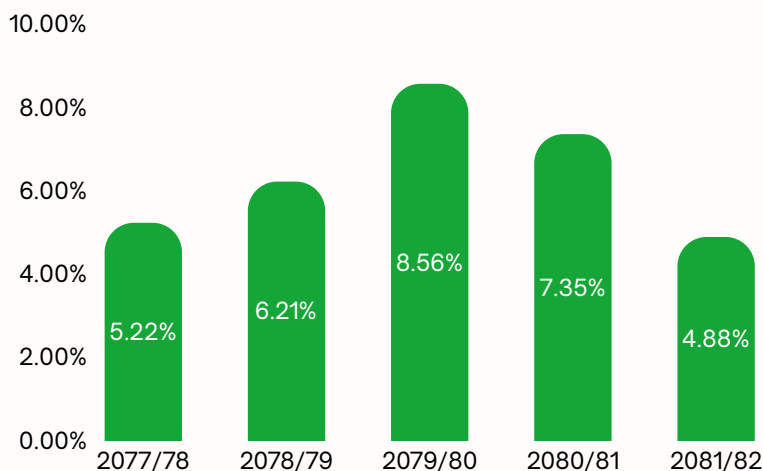
Avg ROE of Commercial Banks



Source: Unaudited Q2 Reports of Commercial Banks

Return on Equity
7.73%

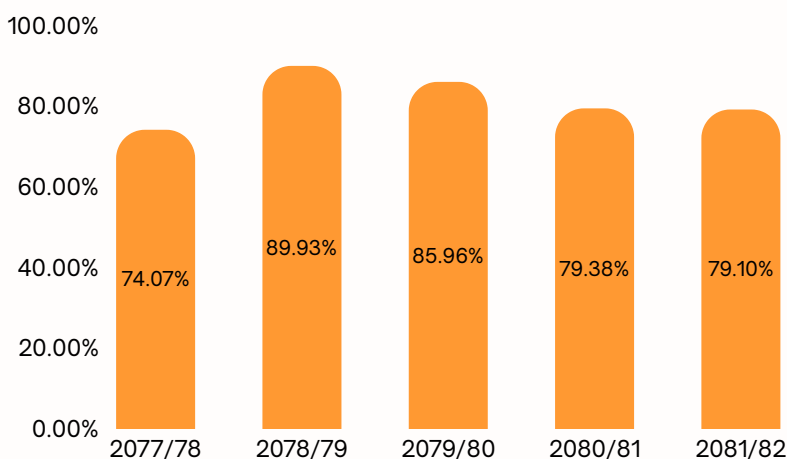
Avg Cost of Funds of Commercial Banks



Source: Unaudited Q2 Reports of Commercial Banks

Cost of Funds
4.88%

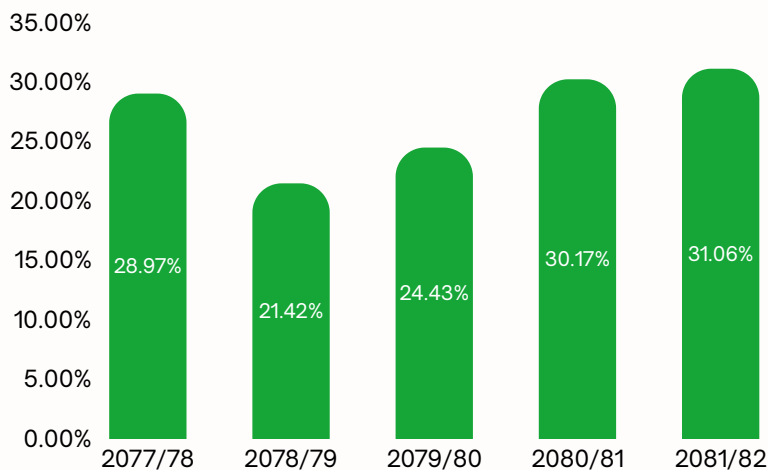
Avg CD Ratio of Commercial Banks



Source: Unaudited Q2 Reports of Commercial Banks

CD Ratio
79.10%

Avg Liquidity Ratio of Commercial Banks



Source: Unaudited Q2 Reports of Commercial Banks

Liquidity Ratio
31.06%

NBA ACTIVITIES

KARTIK - POUH 2081

Nepal Bankers' Association Joins Global SME Finance Forum

November 11, 2024 - Nepal Bankers' Association (NBA) is pleased to announce its recent membership in the SME Finance Forum, a global network of over 300 institutions across 190 countries dedicated to advancing SME financing. This partnership highlights NBA's commitment to supporting small and medium-sized enterprises (SMEs) in Nepal through global insights, innovation, and collaboration.



Supported by the G20 and the International Finance Corporation (IFC) of the World Bank, the SME Finance Forum provides members with resources like peer networks, innovation hubs, specialized training, and a repository of research to drive SME growth. As a new member, NBA gains access to these tools, enabling Nepal's commercial banks to better meet the needs of SMEs and contribute to national economic development.

"We believe that joining the prestigious SME Finance Forum will benefit Nepal's banking sector as we work to enhance SME financing," said Mr. Sunil KC, President of the NBA. "With increasing support from both the Nepal Rastra Bank and our commercial banks, this membership is an invaluable step toward advancing SME growth."

Qamar Saleem, Head of the SME Finance Forum, welcomed NBA's membership, noting its alignment with the Forum's mission to promote impactful SME financing, especially in emerging markets like Nepal.

NBA Welcomed Incoming IMF Resident Representative

November 21, 2024 - Nepal Bankers' Association (NBA), held a program to bid farewell to the outgoing IMF Resident Representative to Nepal, Ms. Teresa Daban Sanchez and welcome the incoming IMF Resident Representative to Nepal, Mr. Pranav Kumar Gupta.

During the meeting, NBA President, Mr. Sunil KC expressed deep gratitude for Ms. Sanchez's unwavering support, collaboration and valuable insights, which have been instrumental in shaping prudent financial policies and strengthening Nepal's financial sector resilience.

Welcoming Mr. Gupta, Mr. KC conveyed NBA's optimism

for continued partnership, highlighting the critical role of the IMF's expertise in fostering economic growth, enhancing financial stability and supporting the ongoing development of Nepal's banking sector.



The meeting served as a platform to reaffirm the strong relationship between the IMF and NBA, underscoring a shared commitment to fostering a robust and dynamic financial ecosystem. NBA also extended its gratitude to the IMF for its continued support and guidance, which have been invaluable in strengthening the capabilities of the banking sector and promoting the adoption of best practices within the Nepalese banking industry.

Interaction Program on Current Issues & Financial Literacy at Bhairahawa

December 1, 2024 - Nepal Bankers' Association (NBA), in partnership with International Finance Corporation (IFC) and Financial Literacy Nepal (FLN) held a capacity building session in Bhairahawa on Digital Financial Services, Current Issues and Financial Literacy. The program aimed to deepen participants' understanding of Nepal's evolving digital financial services sector, the pressing challenges faced by the banks and the issues related to the capital markets, and the critical role financial literacy plays in addressing these issues effectively.

In his opening remarks, Mr. Ashim Nepal, Operations Officer at IFC, highlighted the objectives and underscored the significance of strengthening digital financial literacy and stressed the importance of improving accessibility and security of digital financial services. During the program, NBA Senior Officer, Mr. Kapil Gautam, delivered a presentation focusing on key digital payment products, digital lending, cross-border transactions, financial inclusion and consumer protection. Additionally, he highlighted the escalating risks of cyber fraud and emphasized the critical need for consumer education to enhance fraud prevention and safeguard users in the digital financial space.

During the program, Former Executive Director of the Securities Board of Nepal (SEBON), Mr. Niraj Giri, delivered an in-depth presentation on the securities market. He provided valuable insights into the legal framework that underpins the market and the practical factors influencing its operation. Beyond the regulatory aspects, he also delved into current market trends, effective investment strategies, and risk management techniques, offering a well-rounded perspective on navigating the securities market.



Former NBA President, Mr. Bhuvan Dahal delivered an engaging presentation on the pressing challenges facing the banking and financial sectors. He addressed critical topics, including the public's perception of the industry and the factors contributing to rising negative sentiments. Drawing on data and evidence, Mr. Dahal deflated common myths and misconceptions, underscoring that Nepal's banking sector remains stable, resilient, and well-regulated under the central bank's policies. He concluded by highlighting the pivotal role of financial literacy, urging bank officials to prioritize this area in their financial literacy initiatives and customer interactions to build trust and awareness.

The Chief Guest of the program, Former Governor of Nepal Rastra Bank, Dr. Chiranjibi Nepal, shared his invaluable experiences and insights on addressing the policy-level challenges facing Nepal's banking and financial sectors. Drawing from his extensive expertise, Dr. Nepal emphasized that the effectiveness of any policy lies not merely in its design but in its proper implementation. Furthermore, underscored the need for strong institutional capacity, accountability and commitment to translating policy objectives into tangible results.

In his closing remarks, Deputy Coordinator of NBA Lumbini Province Committee, Mr. Kush Sudan Singh, expressed his gratitude to all participants and resource persons for their valuable contributions to the program's success. He emphasized the importance of conducting similar capacity-building initiatives repeatedly, highlighting their crucial role in enhancing the skills and knowledge of banking officials to address the evolving challenges in the financial sector effectively. The program witnessed active participation from over 45 officials representing various Commercial and Development Banks.

Certified Training Program on ESG & Sustainable Finance – Second Cohort

December 5, 2024 - Nepal Bankers' Association (NBA), in collaboration with Barcelona School of Management and Invest for Impact Nepal, organized a four-day, face-to-face session as part of the "Certified Training Program on ESG & Sustainable Finance." Building on the success of the earlier edition, this cohort aimed to deepen the understanding and capabilities of banking professionals in incorporating Environmental, Social, and Governance (ESG) principles into their practices to align with evolving global standards and local needs.



NBA Executive Director Mr. Anil Sharma inaugurated the program with a warm welcome to all participants and extended heartfelt gratitude to the Barcelona School of Management and Invest for Impact Nepal for their invaluable partnership. In his opening remarks, he highlighted the growing significance of ESG principles and sustainable finance within the banking sector. Furthermore, he encouraged all participants to make the most of this opportunity by actively engaging and utilizing the expertise of the professionals.

The four days session was led by distinguished faculty members, Prof. Dr. Andrei Boar and Prof. Albert Marti, from the Barcelona School of Management at the University of Pompeu Fabra. Over the course of four intensive days, the program delved into a comprehensive range of topics, including global ESG best practices, metrics for measuring carbon footprints, the interplay of regulatory frameworks with lending and borrowing activities, risk mitigation strategies, innovative sustainable financing instruments, sustainable financing products and the practical challenges and opportunities of implementing ESG principles in the Nepalese banking context.



The Certified Training on ESG and Sustainable Finance included senior officials from various commercial and development banks. The program enhanced their expertise and equipped them with the skills and knowledge necessary to promote sustainable finance and ESG adoption across Nepal's banking landscape.

Field Visit to Explore ESG Practices at the Bhotekoshi Hydropower Project

December 11, 2024 - As part of the ESG Certified Course, participants undertook a field visit to the Bhotekoshi Hydropower Project. The trip offered them an invaluable opportunity to observe the application of Environmental, Social and Governance (ESG) principles in a real-world context allowing the participants to gain first-hand exposure to how ESG frameworks are integrated into the operations and management of a large-scale hydropower project.



At the project site, participants were given a detailed tour led by a representative from the Bhotekoshi Hydropower Project team. The tour showcased how the project adheres to the IFC performance standards, demonstrating compliance with global benchmarks for sustainable development. Discussions during the visit highlighted not only the technical and operational aspects of ESG integration but also the challenges involved in maintaining high standards amidst complex environmental and social considerations.

One of the key takeaways from the visit was an appreciation for the transformative power of ESG principles in large-scale projects. Participants observed how aligning with these standards positively influences various aspects of project development, from fostering community relationships to mitigating environmental impacts and climate risk. The representative shared examples of how implementing ESG measures has enhanced the project's reputation and sustainability, while also addressing risks proactively to ensure resilience in the face of emerging challenges. This field visit allowed participants to gain a deeper, more nuanced understanding of the importance of ESG in the infrastructure and energy sectors



NBA's 38th Annual General Meeting

December 18, 2024 - Nepal Bankers' Association has completed its 38th Annual General Meeting. In the General Meeting, there was a program for the election of the President, Vice-President and three Members of the Executive Committee. The meeting has elected Mr. Santosh Koirala, Chief Executive Officer, Machhapuchchhre Bank Ltd., as the President of the Association unopposed. He was previously the Vice-President of the Association.

In addition, Mr. Surendra Raj Regmi, Chief Executive Officer of Global IME Bank Ltd., has been elected unopposed as the Vice-President. Likewise, the General Meeting elected three Members of the Executive Committee unopposed: Mr. Sudesh Khaling, Chief Executive Officer, Everest Bank Ltd., Mr. Tilak Raj Pandeya, Chief Executive Officer, Nepal Bank Ltd., Mr. Ram Chandra Khanal, Chief Executive Officer, Kumari Bank Ltd.



The newly formed NBA's Executive Committee is as follows:

1. Mr. Santosh Koirala, Chief Executive Officer, Machhapuchhre Bank Ltd.- President
2. Mr. Surendra Raj Regmi, Chief Executive Officer, Global IME Bank Ltd.-Vice-President
3. Mr. Ashok Sherchan, Chief Executive Officer, Prabhu Bank Ltd.- Member
4. Mr. Nischal Raj Pandey, Chief Executive Officer, Sanima Bank Ltd.- Member
5. Mr. Ram Chandra Khanal, Chief Executive Officer, Kumari Bank Ltd.-Member
6. Mr. Sanjeev Manandhar, Chief Executive Officer, Prime Commercial Bank Ltd.- Member
7. Mr. Sudesh Khaling, Chief Executive Officer, Everest Bank Ltd.- Member
8. Mr. Sundar Prasad Kadel, Chief Executive Officer, Siddhartha Bank Ltd.- Member
9. Mr. Tilak Raj Pandeya, Chief Executive Officer, Nepal Bank Ltd.- Member

Also, the outgoing President Mr. Sunil K.C., shall remain as an ex-officio Member of the Executive Committee, while former Presidents Mr. Ashoke SJB Rana and Mr. Gyanendra Prasad Dhungana shall remain as Advisors to the Executive Committee.

NBA's Annual Function



December 18, 2024 - Nepal Bankers' Association (NBA) hosted its Annual Function on the occasion of its 38th Annual General Meeting. The program commenced with welcome remarks by the outgoing President of the Association, Mr. Sunil K.C. In his welcome speech, Mr. KC expressed heartfelt gratitude to all stakeholders for their unwavering support throughout his tenure. He also shared an overview of Association's key initiatives and achievements during the last fiscal year. He emphasized that Nepalese banking sector has emerged as one of the most robust in South Asia, crediting Nepal Rastra Bank (NRB) for its guardianship role in steering the industry towards stability and growth.

The event featured a Keynote presentation by Mr. Kamalika Das, Regional Economist for South Asia at International Finance Corporation (IFC). She provided valuable insights into the current global economic landscape, highlighting key challenges and potential solutions. Ms. Das observed that South Asia's economic growth trajectory remains comparatively robust, attributing this resilience to increased remittance inflows that have strengthened private consumption and contributed to the region's economic stability.

During the program, continuing its tradition of honoring an individual who has made significant contribution to the banking sector, for this year, NBA presented a Certificate of Honor to Mr. Rajan Singh Bhandari. A distinguished figure of Nepal's banking sector, Mr. Bhandari has held prominent positions including Chairman of Citizens Bank International Ltd., President of Nepal Bankers' Association, Executive Director of Nepal Rastra Bank, among others. His leadership was instrumental in advancing economic, monetary and financial reforms, as well as fostering collaboration within the banking sector. In his speech, Mr. Bhandari expressed optimism about the bright future of Nepal's banking industry. While acknowledging the challenges faced by the sector, he emphasized its capacity to overcome them through innovation and collaboration. He noted the growing adoption of digital technology as a transformative force. He also expressed profound gratitude to NBA for the honor.



The program also felicitated two former CEOs: Mr. Ratna Raj Bajracharya and Mr. Kiran Kumar Shrestha who left the bank in the review year for their invaluable service to the banking sector and NBA.

In his remarks, Mr. Bajracharya conveyed deep appreciation for the support and guidance provided by Nepal Rastra Bank in fostering a competitive banking environment. He emphasized the critical role of government collaboration in advancing the sector's development and ensuring its competitiveness on a global landscape.



Similarly, Mr. Shrestha expressed his gratitude for the recognition and praised NBA for its proactive efforts in addressing challenges faced by banks. He stressed the importance of collective action, highlighted the need for greater support from the government side.

The Chief Guest of the event, NRB Governor Mr. Maha Prasad Adhikari, highlighting the resilience of Nepalese banking sector, he noted that the sector has successfully navigated through various challenging circumstances and emerged stronger. Emphasizing its progress, he mentioned that the Nepalese banking industry is notably more transparent compared to other sectors. Mr. Adhikari assured that the reform policies introduced by NRB are designed to strengthen the banking system rather than hindering banking sector's growth. While acknowledging the present challenges, he urged all stakeholders to remain optimistic and work collaboratively to overcome present challenges.



Additionally, the Governor commended NBA for its valuable contribution to the industry and extended his best wishes for its ongoing success and future endeavors.

Concluding the program, the newly elected NBA President, Mr. Santosh Koirala, expressed heartfelt thanks to all attendees. He affirmed his commitment to fostering collaboration and advancing the Association's goals in the coming days.

Interaction Program on Current Issues & Financial Literacy at Biratnagar

December 23, 2024 - Nepal Bankers' Association (NBA), in collaboration with the International Finance Corporation (IFC) and Financial Literacy Nepal (FLN), organized a capacity-building program in Biratnagar, focusing on contemporary banking challenges and financial literacy. The program centered on three key areas: Digital Financial Services, Capital Market and Current Issues and Financial Literacy. The program aimed to enhance participants' understanding of Nepal's evolving digital finance landscape, address pressing issues impacting banks and capital markets, and underscore the pivotal role of financial literacy in tackling these challenges effectively.

Delivering the opening remarks, Mr. Ashim Nepal, Operations Officer at IFC, outlined the program's objectives. He underscored the necessity and importance of enhancing digital financial literacy to improve both the accessibility and security of digital financial services and their critical role in fostering an inclusive and secure financial ecosystem.



During the program, NBA Senior Officer, Mr. Kapil Gautam, delivered a presentation titled "Digitally Empowered Employees – Knowing Your Digital Payments" covering digital payment products, digital lending, cross-border transactions, financial inclusion and consumer protection. He also underscored the increasing risks of cyber fraud and the need for consumer education to prevent fraud and ensure user safety in the digital space.

Former Executive Director of the Securities Board of Nepal (SEBON), Mr. Niraj Giri, provided a comprehensive overview of the securities market, covering its legal framework, operational mechanisms, current trends, investment strategies, and risk management. The presentation offered valuable insights to help participants navigate the complexities of the securities sector.

Former NBA President, Mr. Bhuvan Dahal, delivered a presentation incorporating key challenges within the banking and financial sectors, including public perception of the industry and the factors driving negative sentiments. Using data, facts and evidence, Mr. Dahal clarified common myths and misconceptions, reaffirming that Nepal's banking sector remains stable, resilient, and well-regulated under the prudent oversight of the Central Bank. Mr. Dahal also emphasized the critical role of financial literacy in building trust and raising awareness among customers, encouraging banking officials to prioritize these efforts in their daily interactions.

The program's Chief Guest, Former Governor of Nepal Rastra Bank, Dr. Chiranjibi Nepal, shared invaluable insights into addressing policy-level challenges in Nepal's financial sector. He highlighted key considerations for policymakers to keep in mind when drafting effective policies. Drawing from his vast experience, Dr. Nepal emphasized that successful implementation is just as critical as thoughtful policy design in achieving meaningful and sustainable outcomes.

Delivering the closing remarks, Mr. Sulav Hari Joshi, Coordinator of NBA Koshi Province Committee, expressed his sincere appreciation to all participants and resource persons for their invaluable contributions. He emphasized the importance of implementing the insights gained during the program and highlighted the need for continuing capacity-building initiatives to empower banking professionals. The program was attended by over 40 officials from various commercial banks

NBA Executive Committee Members Holds Meeting with Governor

December 31, 2024 - The newly elected Executive Committee Members of Nepal Bankers' Association (NBA), led by President Mr. Santosh Koirala, paid a courtesy visit to the Governor, Mr. Maha Prasad Adhikari at Nepal Rastra Bank.

The Governor warmly congratulated the newly formed Committee and extended his best wishes for their tenure. The Governor also appreciated the role of NBA in representing the collective voice of the banking industry and encouraged NBA to continue its proactive engagement in strengthening Nepal's financial system.

During the meeting, NBA President Mr. Santosh Koirala expressed gratitude to the Governor for NRB's continued guidance and support to the banking industry. Mr. Koirala also shared that the banking sector looks forward to continued collaboration and support in the days to come.



Meeting with IMF Mission Team

January 7, 2024 - Nepal Bankers' Association (NBA) held a meeting with the IMF mission team, led by Mission Chief Ms. Sarwat Jahan, as part of the 5th Review under the Extended Credit Facility (ECF). The meeting aimed to gain insights on key financial sector trends, growth and business perspectives, regulatory challenges, among others.



During the meeting, NBA President Mr. Santosh Koirala provided an overview of the current state of the banking sector. He emphasized the significant challenge of low credit growth – primarily due to lack of confidence among entrepreneurs, and pointed out the critical role Government of Nepal could play in addressing the issue. NBA Executive committee members also highlighted several other pressing challenges, including land ceiling issues, rising NPL, challenges to meet the directed sector lending, policy uncertainty, need for development of the bond markets and others.


The IMF team acknowledged Nepal's untapped opportunities and stressed the importance of achieving minimum of 5-6% consistent economic growth to unlock the country's full potential. The meeting was an excellent platform for both parties to gain a deeper understanding of the local and global financial landscape and to exchange perspectives on the way forward for the banking sector in Nepal.



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