

(MAY, 2025)

# QUARTERLY NEWSLETTER



## FY 2081/82-Q3

MID JANUARY 2025 TO MID APRIL 2025  
(MAGH 2081 TO CHAITRA 2081)

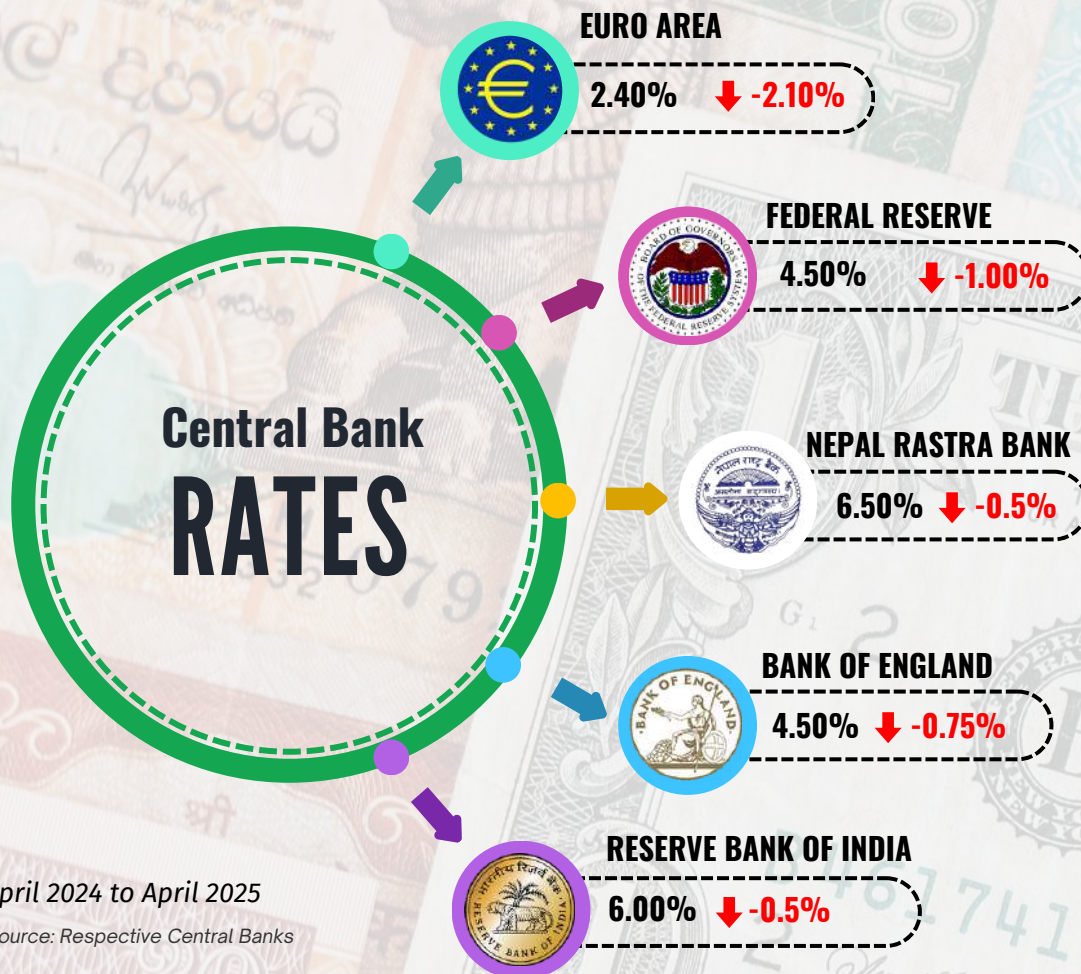


**PUBLISHED BY NEPAL BANKERS' ASSOCIATION**

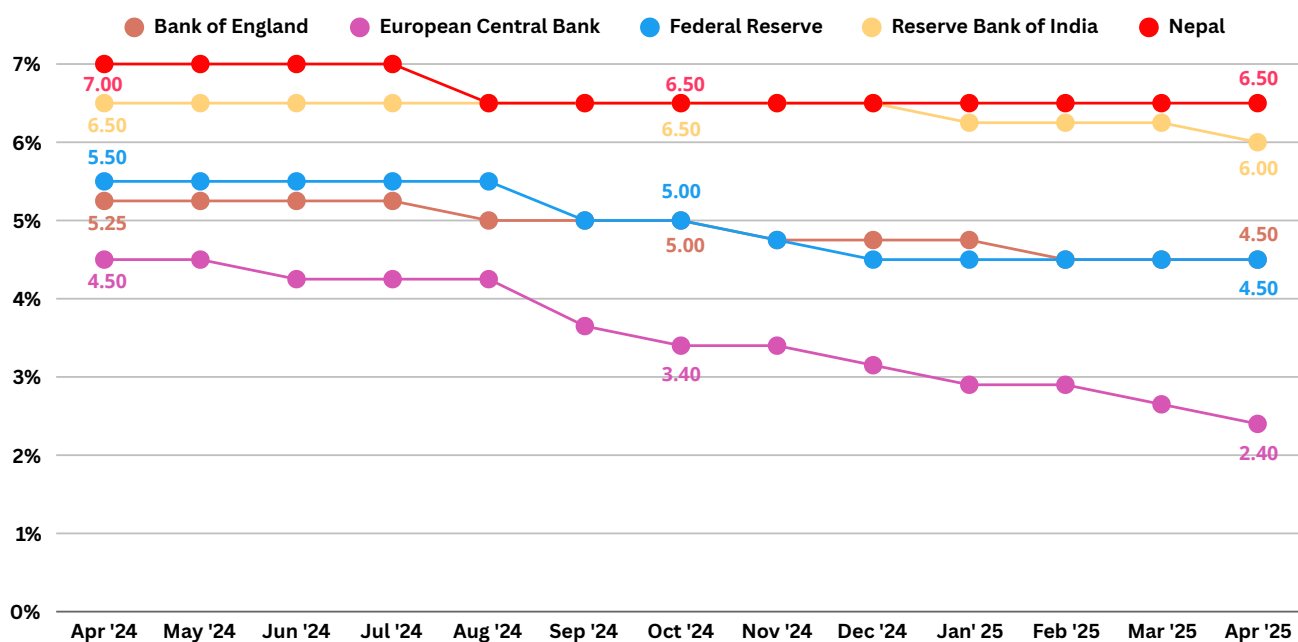
The background of the entire page is a high-angle, wide shot of the Shanghai skyline at dusk. The sky is a mix of soft orange, yellow, and pale blue. Several iconic skyscrapers are visible, including the Shanghai Tower (a twisting, cylindrical structure), the Shanghai Financial Center (a tall, slender tower with a distinctive trapezoidal top), and the Jin Mao Tower (a tiered, pagoda-like structure). The city's dense urban landscape, with numerous other buildings and a river visible in the distance, provides a rich context for the title.

# GLOBAL SCENARIO



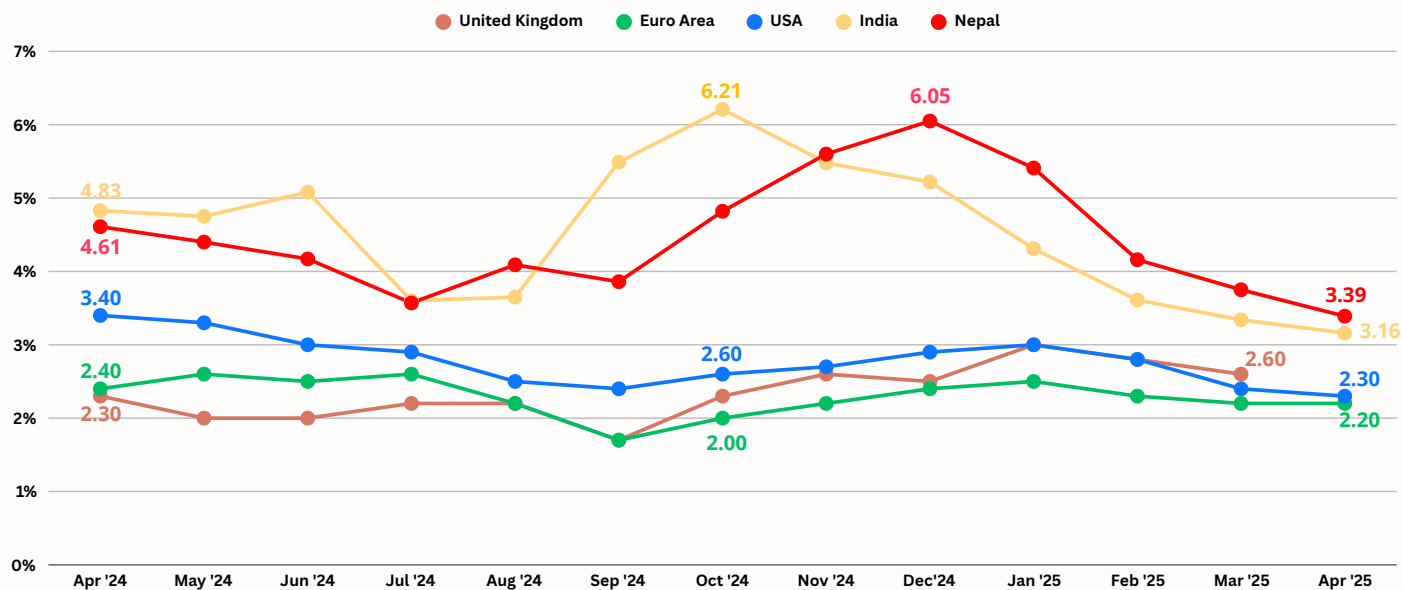


### Central Bank's Interest Rate in Major Economies (in %)



Source: Respective Central Banks

## Inflation in Major Economies (in %)



Source: Respective Central Banks

## ADB Inflation Projection (in %)

	2023	2024e	2025f	2026f
Developing Asia	3.3	2.6	2.3	2.2
Developing Asia (excluding China)	6.2	4.8	4.0	3.7
Caucasus and Central Asia	10.2	6.8	6.9	5.9
East Asia	0.6	0.5	0.6	0.9
South Asia	7.9	6.6	4.9	4.5
Southeast Asia	4.2	3.0	3.0	2.8
The Pacific	3.1	1.9	3.4	3.7

Source: Asian Development Outlook, April 2025

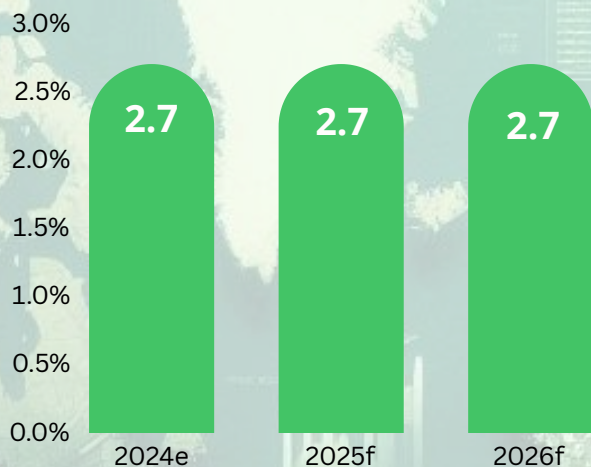
e - estimated

f - forecast



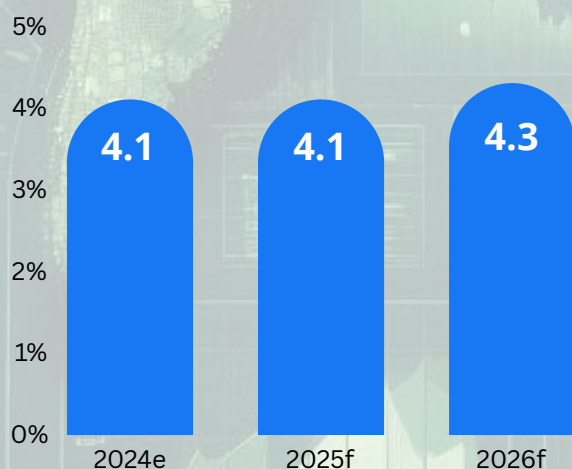
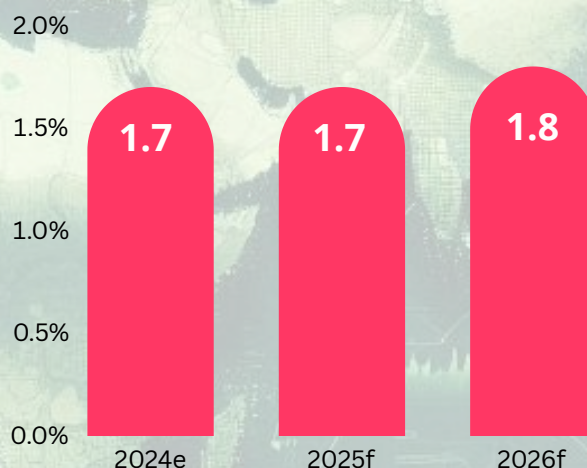
## World Bank Projections

### Real GDP Growth Projections (in %)



## GLOBAL ECONOMY

## ADVANCED ECONOMIES



## EMERGING MARKET AND DEVELOPING ECONOMIES

Source: Global Economic Prospects, January 2025

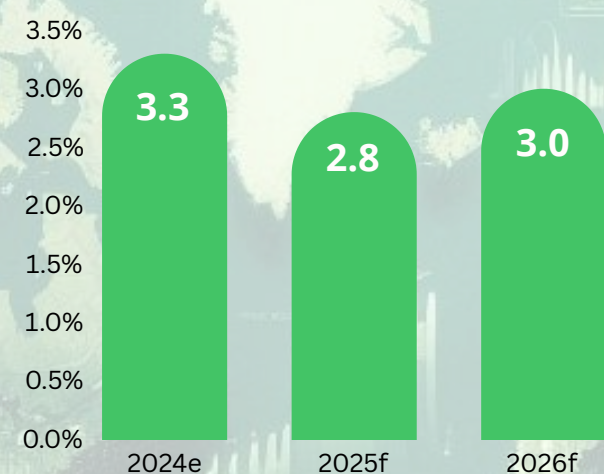
e - estimated

f - forecast

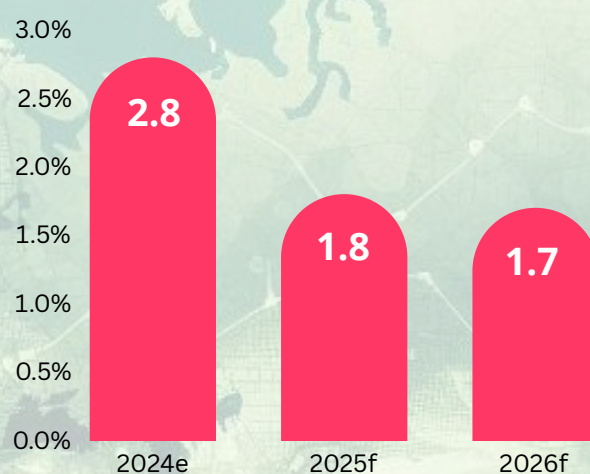


## IMF Projections

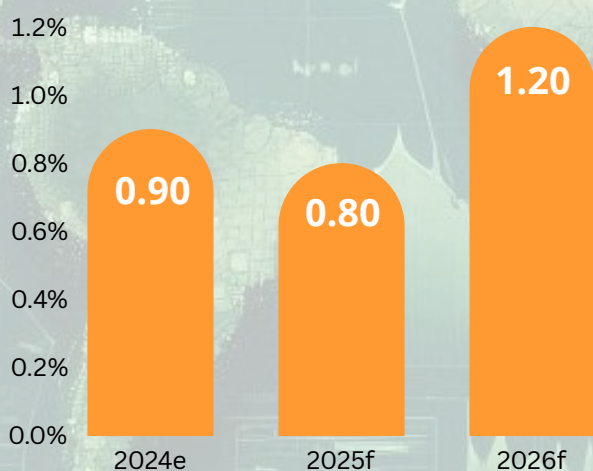
### Real GDP Growth Projections (in %)



#### WORLD



#### UNITED STATES



#### EURO AREA



#### EMERGING AND DEVELOPING ASIA

Source: World Economic Outlook, April 2025

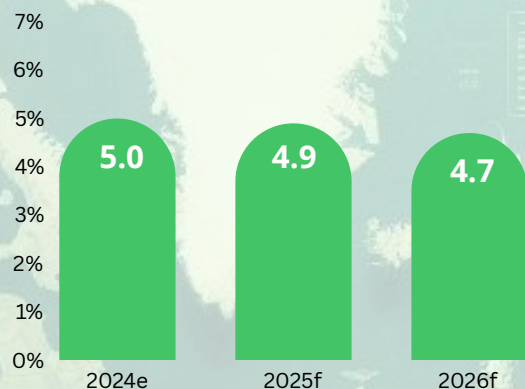
e - estimated

f - forecast

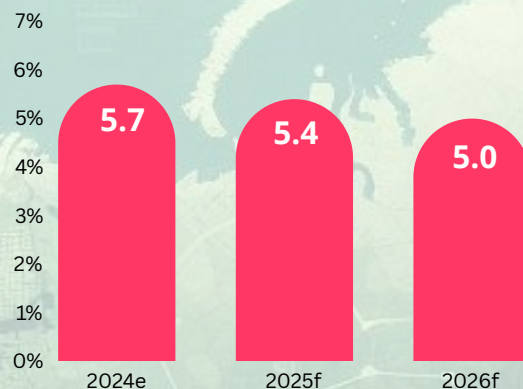


## ADB Projections

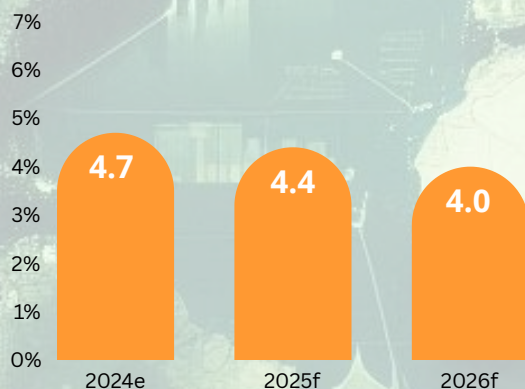
### Real GDP Growth Projections (in %)



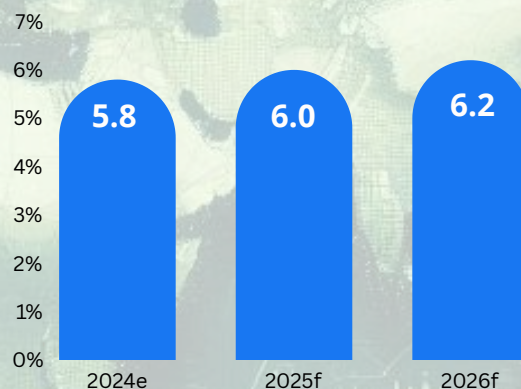
#### DEVELOPING ASIA



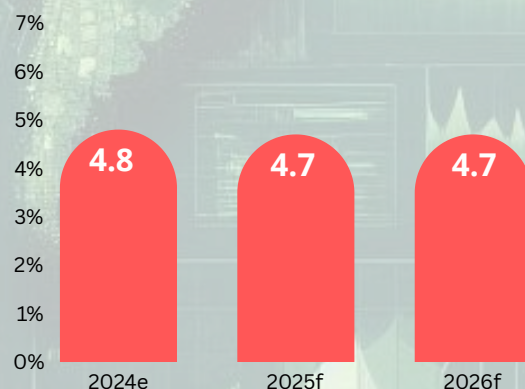
#### CAUCASUS AND CENTRAL ASIA



#### EAST ASIA



#### SOUTH ASIA



#### SOUTHEAST ASIA



#### THE PACIFIC



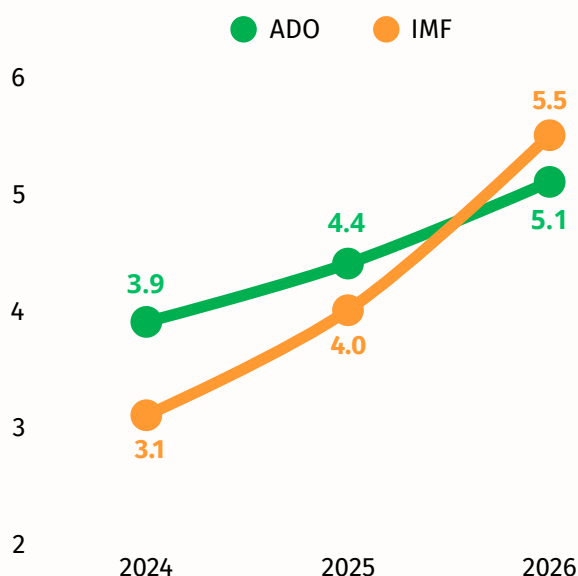
The background of the slide is a photograph of a traditional Nepali temple. The temple features multiple tiers of roofs with intricate carvings and a large, ornate stone pillar in the foreground. The roofs are covered with many pigeons. The sky is a clear, light blue.

# NATIONAL CONTEXT

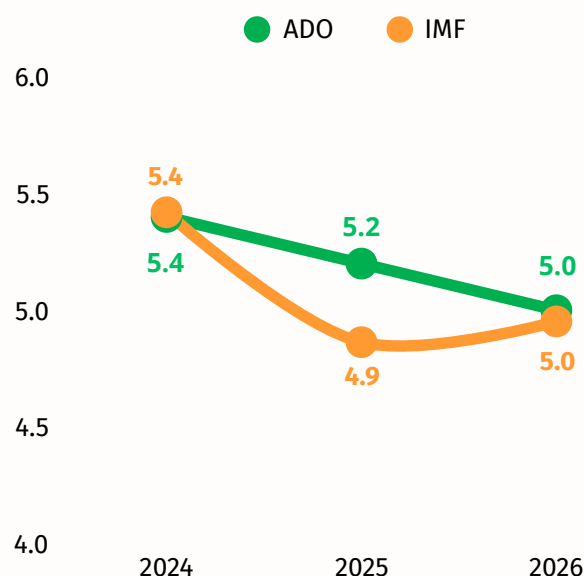


# Nepal in International Reports

## GDP PROJECTIONS

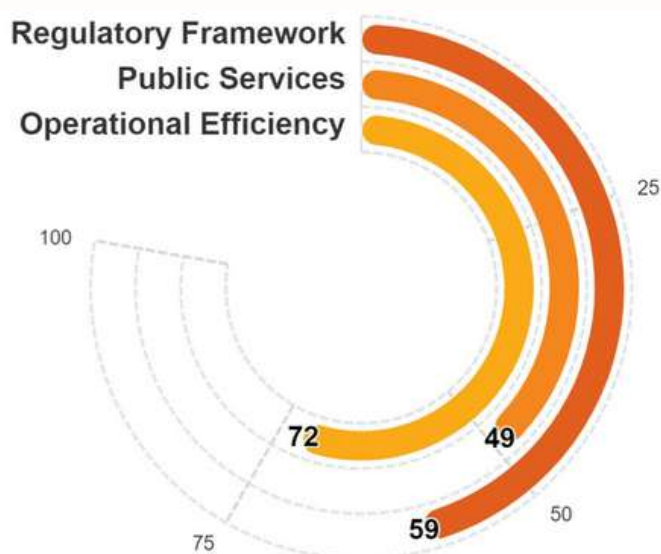


## INFLATION PROJECTIONS



## Business Ready (B-READY) 2024

Business Ready (B-READY) 2024 report from The World Bank Group assesses the regulatory framework and public services directed at firms, and the efficiency with which regulatory framework and public services are combined in practice.



Scores closer to 100 are better

Country

**Nepal** 

Income Group

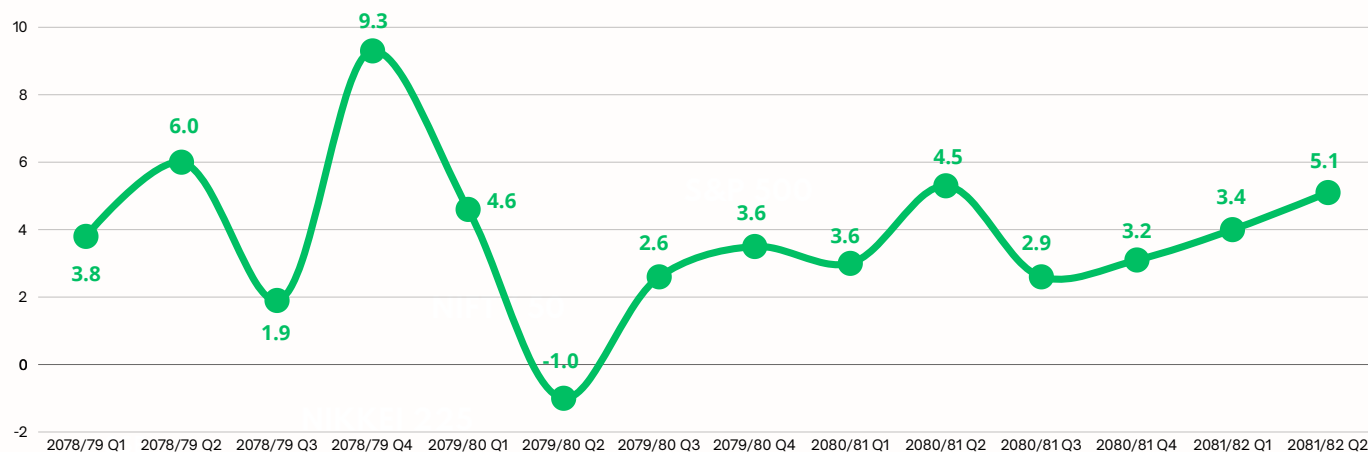
**Lower middle income**

According to the World Bank's Business Ready 2024 report, Nepal performs best in Financial Services, International Trade, and Business Entry, supported by a strong legal framework for secured transactions, coordinated border management, and simplified business registration processes. However, the country scores lowest in Market Competition, Business Insolvency, and Taxation. Key challenges include the absence of systems to support innovation, lack of electronic case management in insolvency proceedings, and no automated taxpayer registration, highlighting the need for institutional and technological improvements in these areas.

## Macroeconomic Indicators

### Quarterly GDP Growth

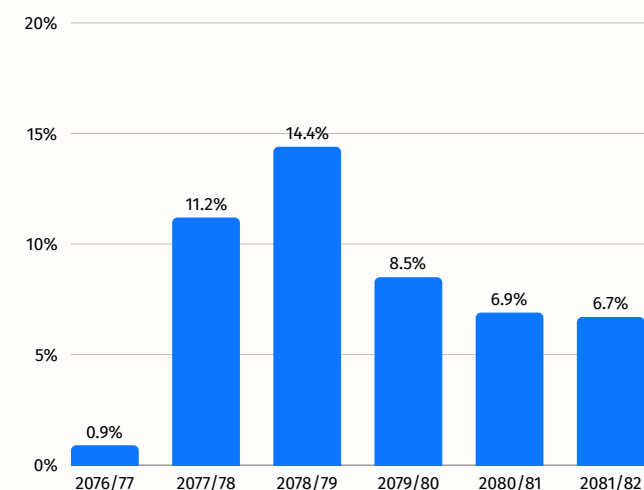
in Percentages



Source: National Statistics Office

Figures include revised and estimated values

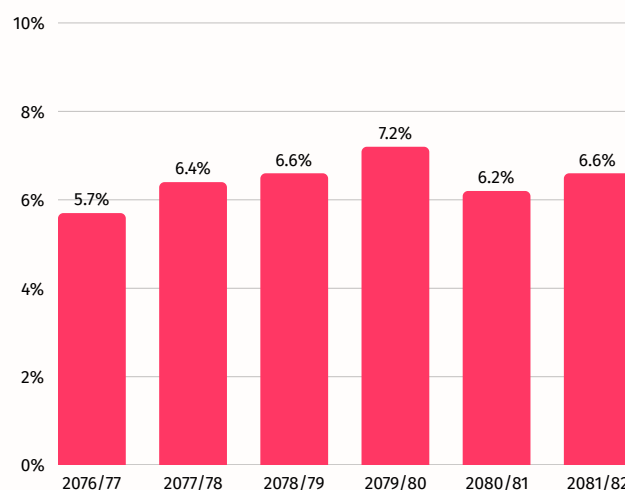
### Gross National Income (GNI) Growth



Source: NRB

(Yearly Average upto Q3 for 2081/82)

### Gross Domestic Savings / GDP

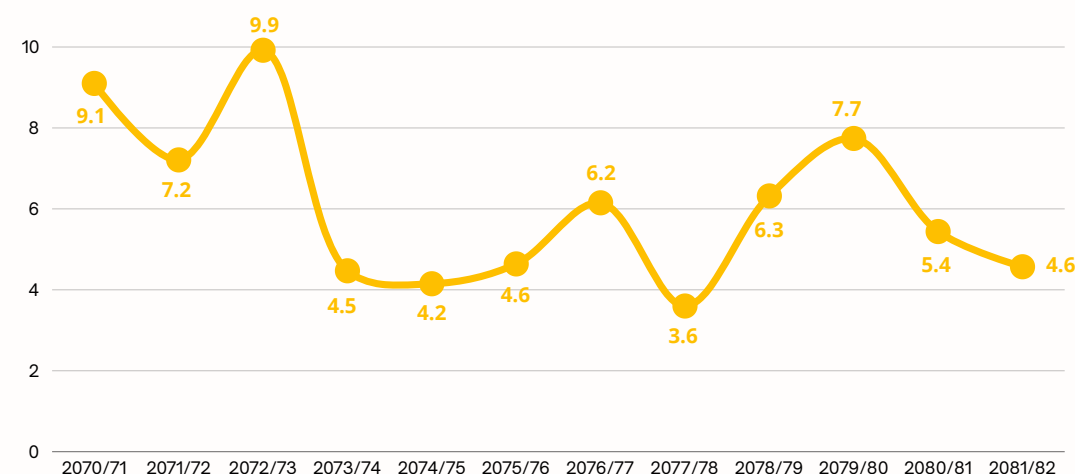


Source: NRB

(Yearly Average upto Q3 for 2081/82)

### Inflation (Yearly Average)

in Percentages



Source: NRB

(Yearly Average upto Q3 for 2081/82)

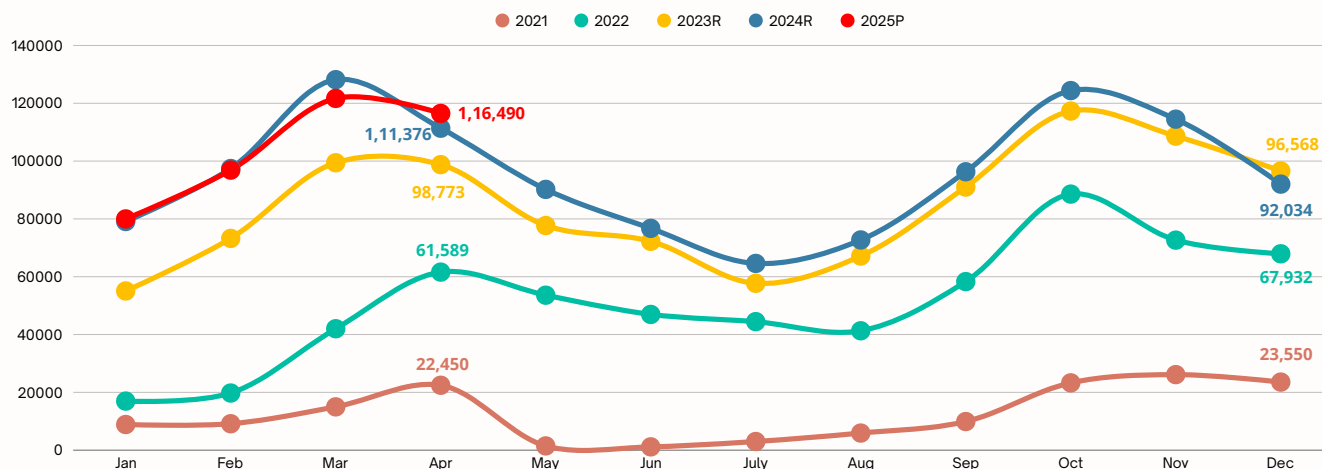
### Point Inflation

as of 2081 Chaitra  
2081/82 Q3

**3.39%**



## Number of Tourist Arrival



Source: Nepal Tourism Board

R: Revised, P: Provisional

## Labour Approval In FY 2081/82 Q3

### Details

New Individual

Recruiting agency

Re Entry

GG (EPS Korea & Isreal, UK)

Legalization

**Grand Total**

Male

23,947

83,904

79,805

3,816

1

**191,473**

Female

6,631

8,860

7,219

624

-

**23,334**

Total

30,578

92,764

87,024

4,440

1

**214,807**

Source: Department of Foreign Employment

### Skill Type

High Skilled

Professional

Semi-skilled

Skilled

Unskilled

**Grand Total**

Male

160

1,052

23,163

108,562

58,536

**191,473**

Female

46

130

2,356

14,445

6,357

**23,334**

Total

206

1,182

25,519

123,007

64,893

**214,807**

Source: Department of Foreign Employment



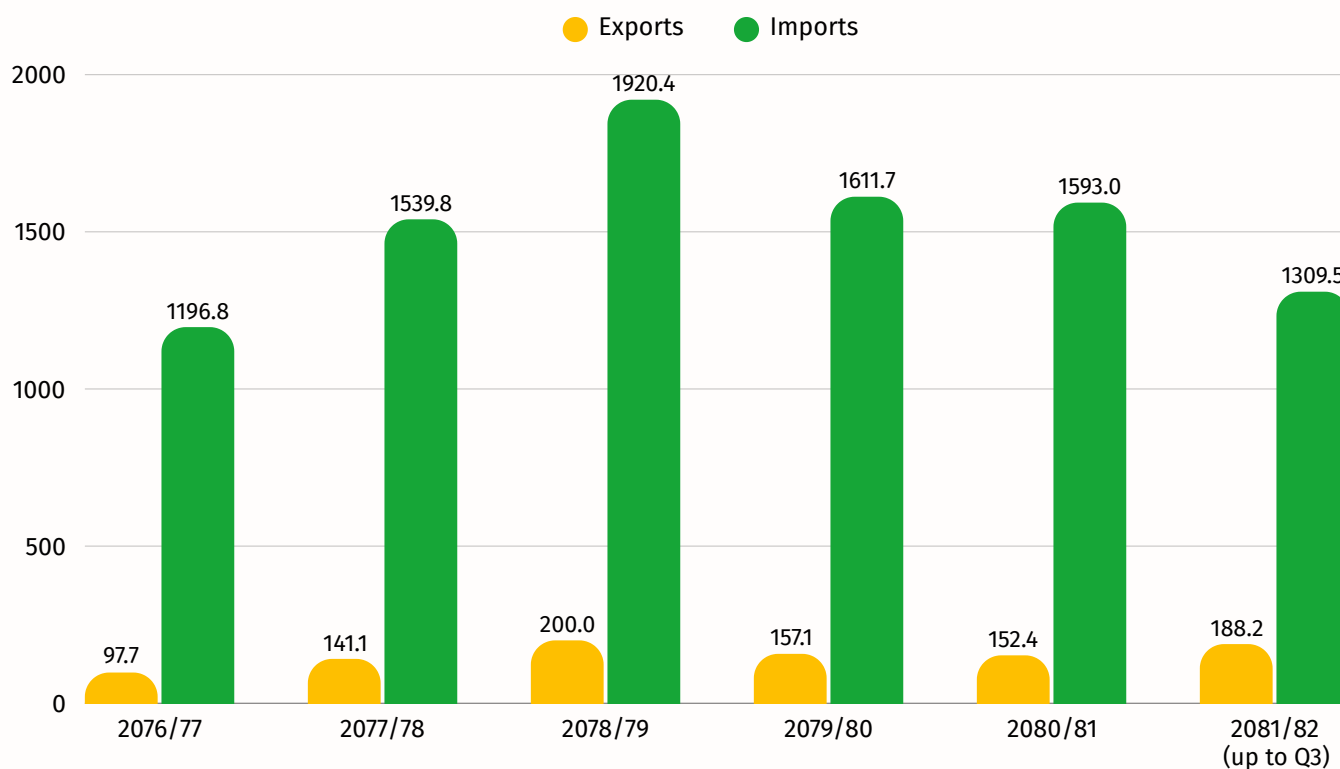
# EXTERNAL SECTOR





## Exports and Imports

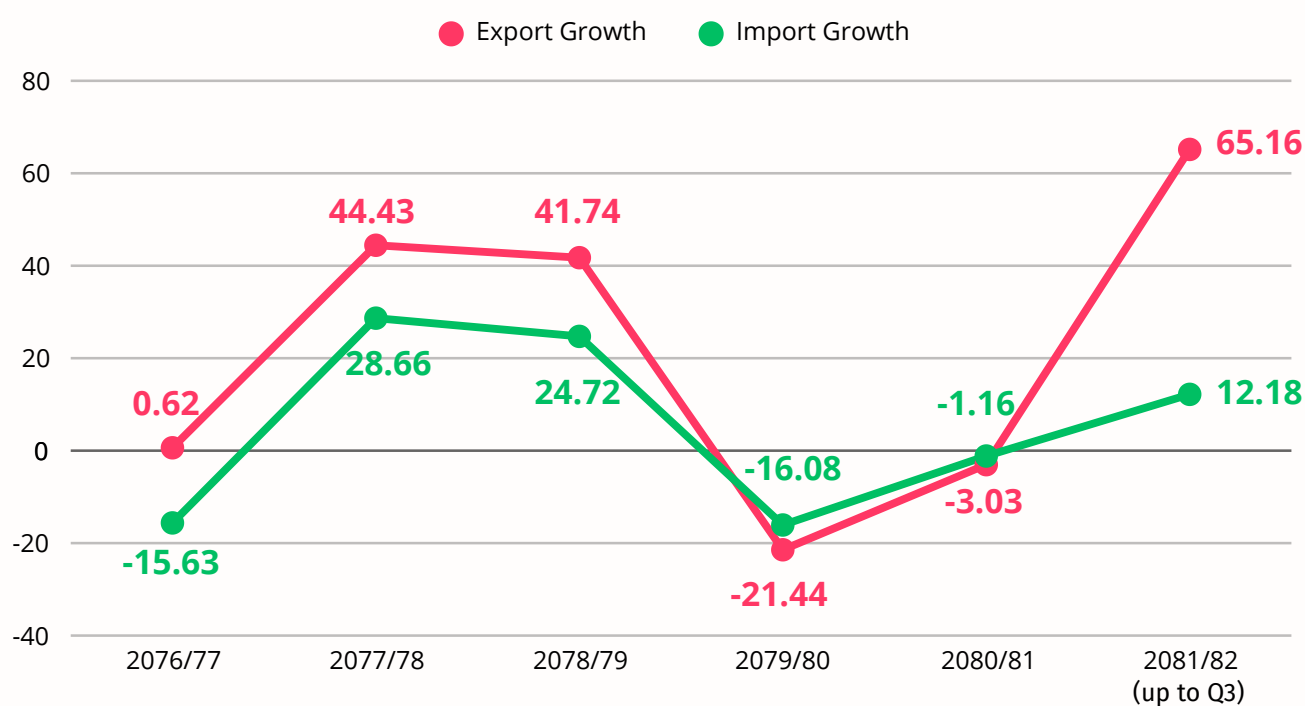
Amount in Billions (Rs.)



Source: Department of Customs

## Export and Import Growth

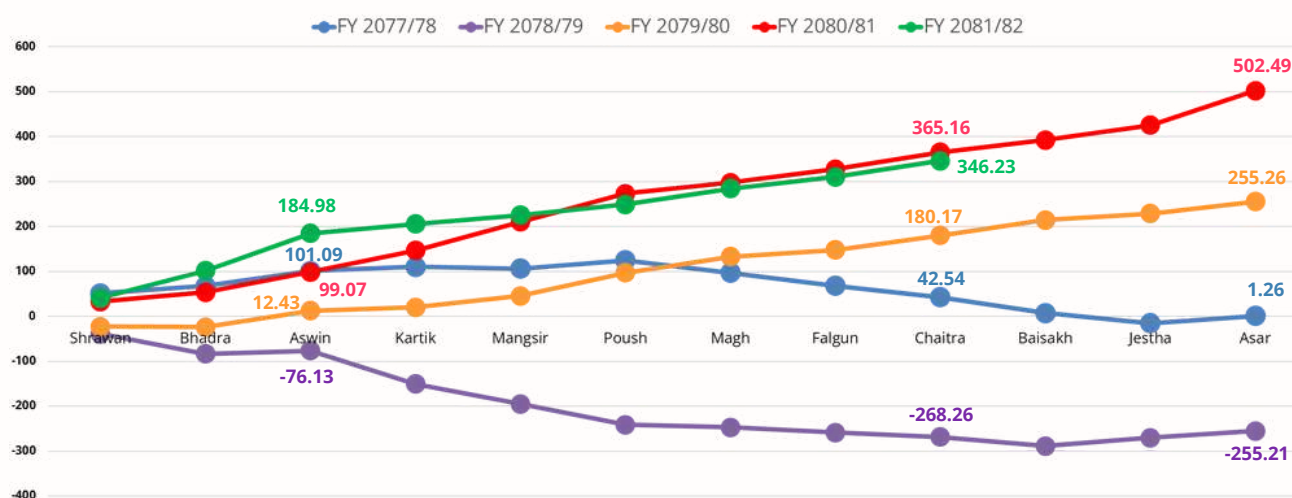
in Percentages



Source: Department of Customs

## Balance of Payment

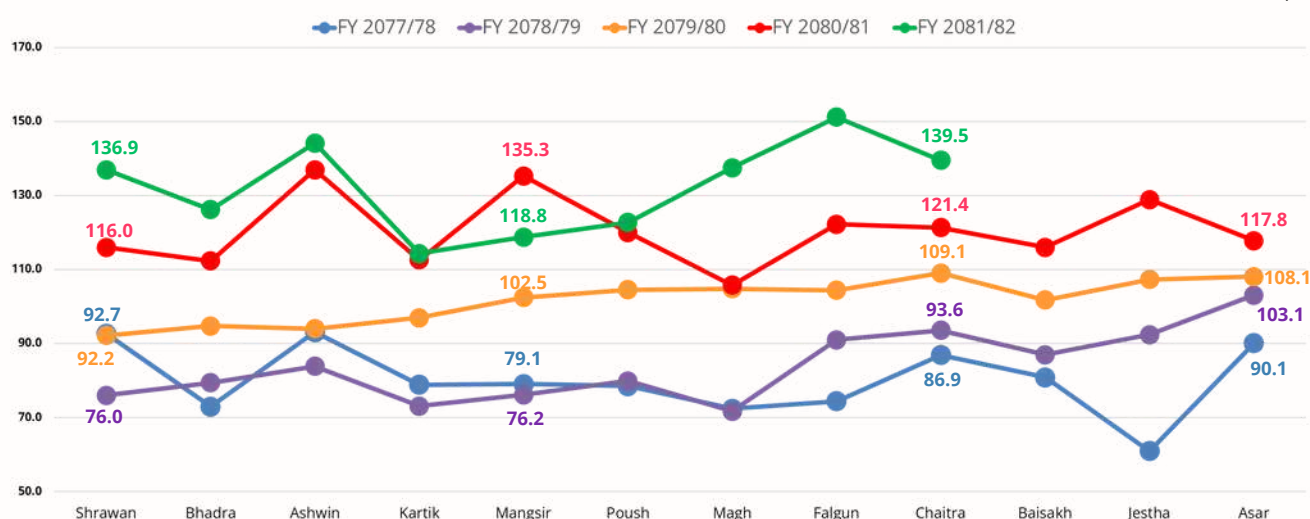
Amount in Billions (Rs.)



Source: NRB

## Inward Remittance

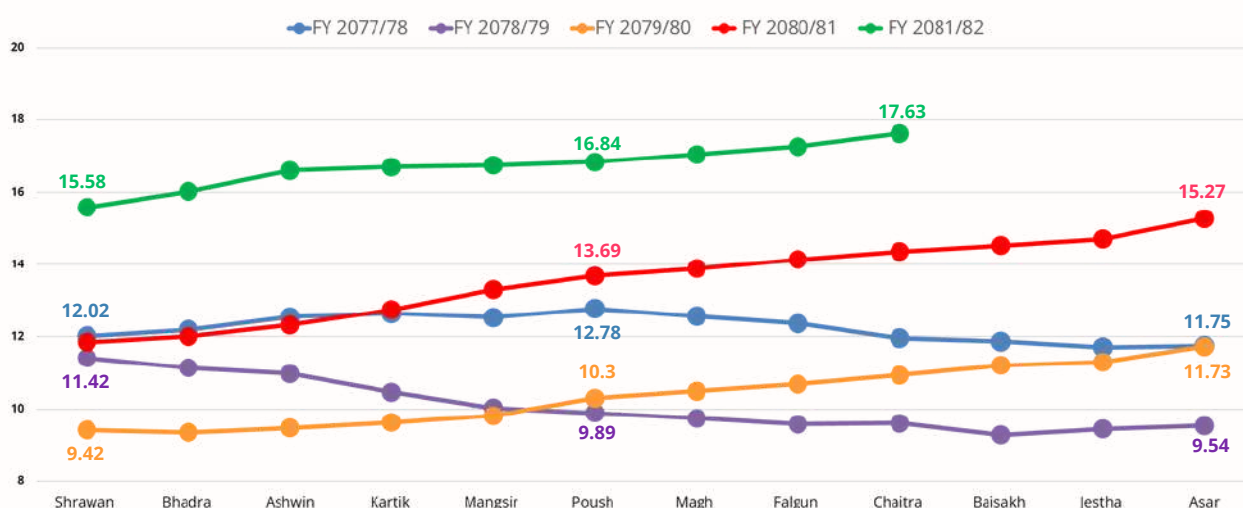
Amount in Billions (Rs.)



Source: NRB

## Gross Foreign Exchange Reserves

Amount in Billions (USD)



Source: NRB





# PUBLIC FINANCE

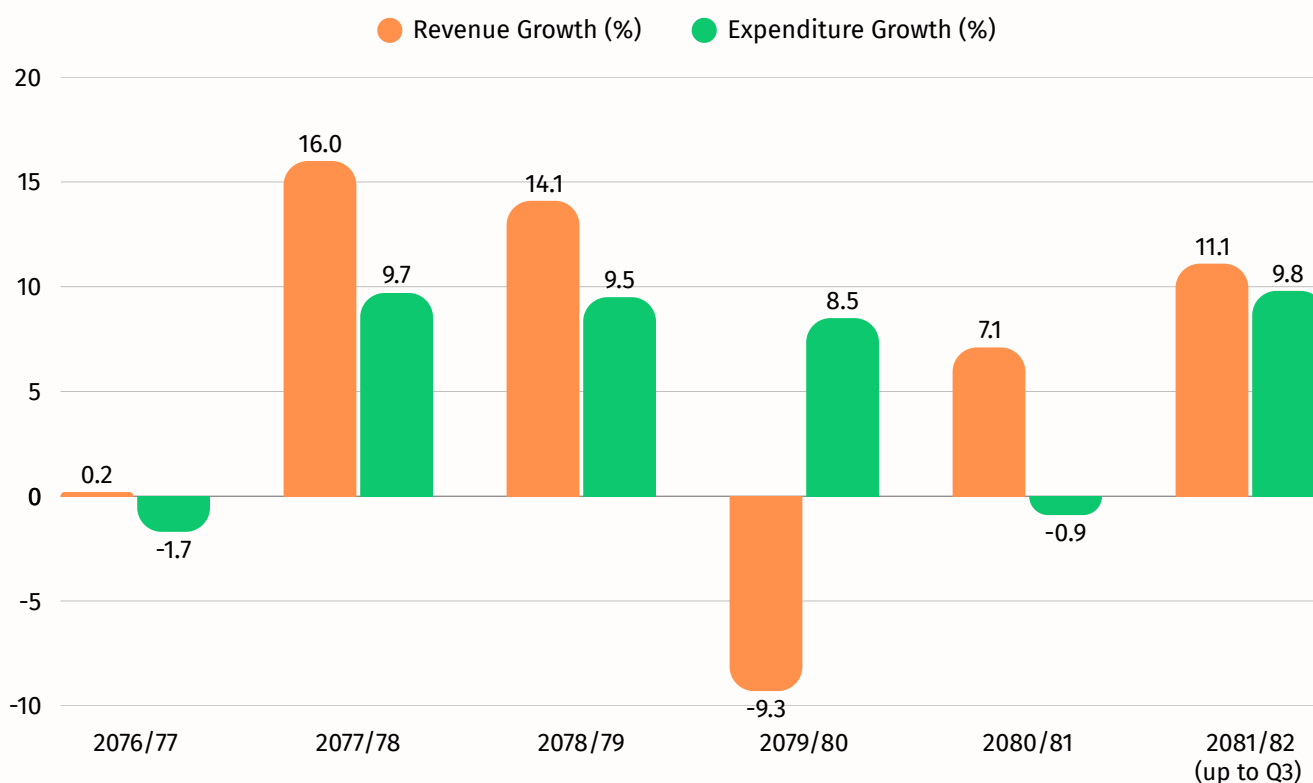
## Government Revenue and Expenditure

Amounts in Lakh (00000)

		2080			2081		
		Target/Budget	Chaitra 30	Percentage	Target/Budget	Chaitra 31	Percentage
REVENUE:	1. Revenue	14,225,417	7,480,600	52.59%	14,193,030	8,314,045	58.58%
	a) Tax Revenue	13,054,796	6,711,228	51.41%	12,842,096	7,441,539	57.95%
	b) Non-Tax Revenue	1,170,621	769,372	65.72%	1,350,934	872,506	64.59%
	2. Grants	499,430	27,580	5.52%	523,265	143,772	27.48%
	3. Other Receipts	0	222,374	0%	0	97,627	0%
TOTAL RECEIPTS OF GON (1+2+3):		14,724,847	7,730,554	52.50%	14,716,295	8,555,444	58.14%
EXPENDITURE :	1.Total Expenditure from Treasury (a+b+c)	17,513,121	9,093,914	51.93%	18,603,030	9,985,212	53.68%
	a. Recurrent	11,417,841	6,440,254	56.41%	11,406,645	6,780,903	59.45%
	b. Capital	3,020,744	973,774	32.24%	3,523,540	1,029,008	29.20%
	c. Financing	3,074,536	1,679,886	54.64%	3,672,845	2,175,301	59.23%

Source: Financial Comptroller General Office

## Government Revenue and Expenditure Growth



Source: NRB

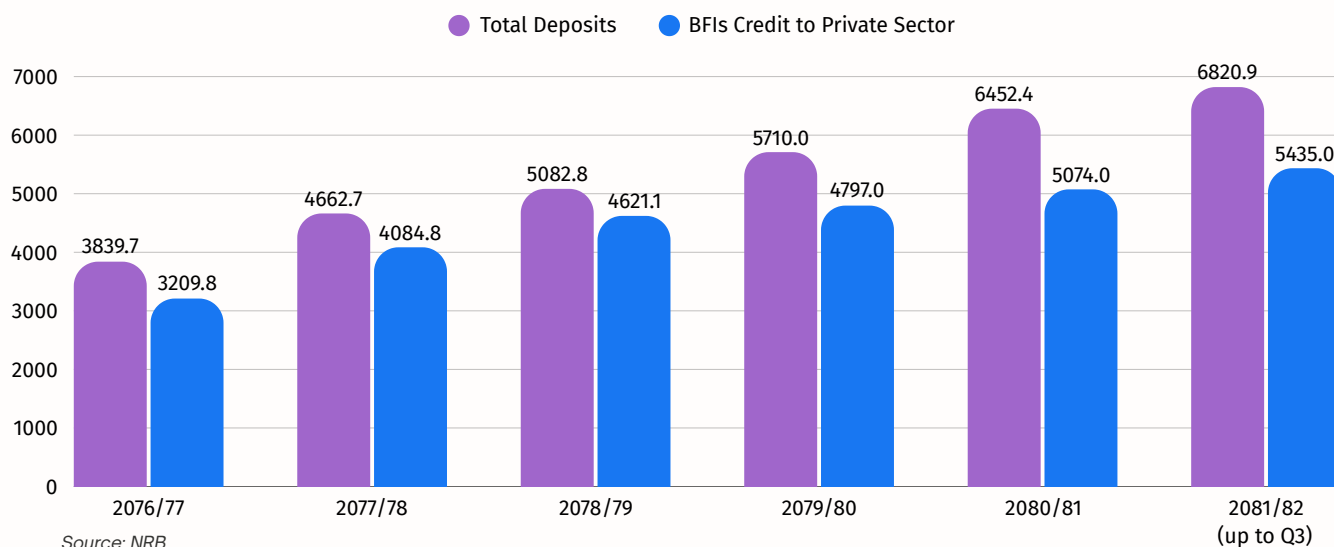




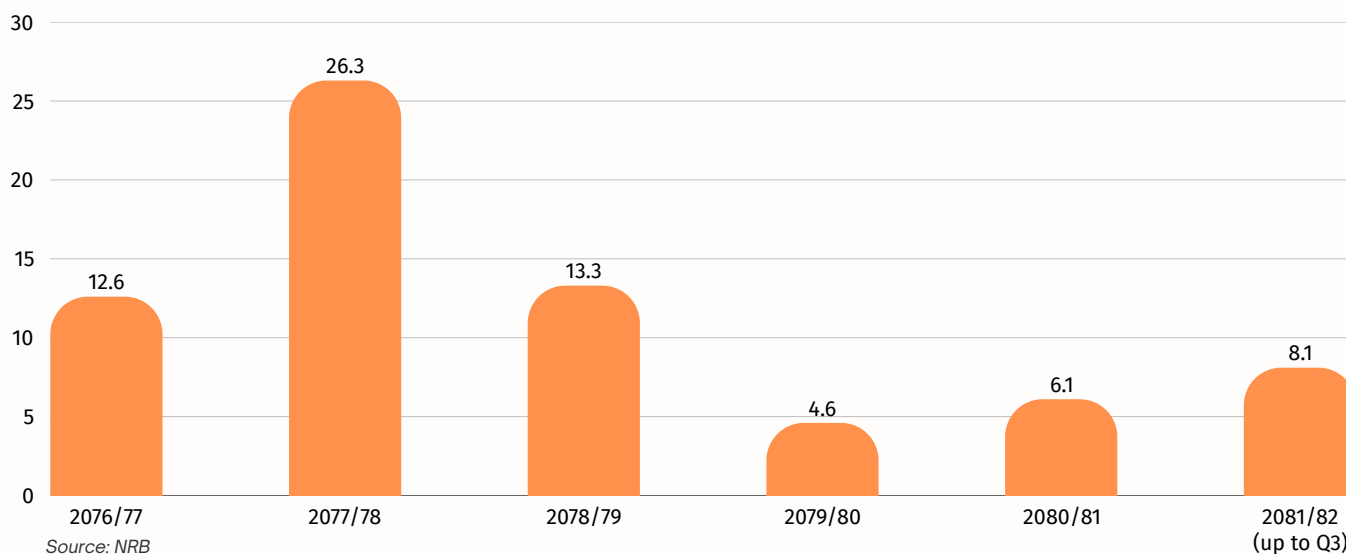
# BANKING SECTOR

## Total Deposit and Credit of BFIs

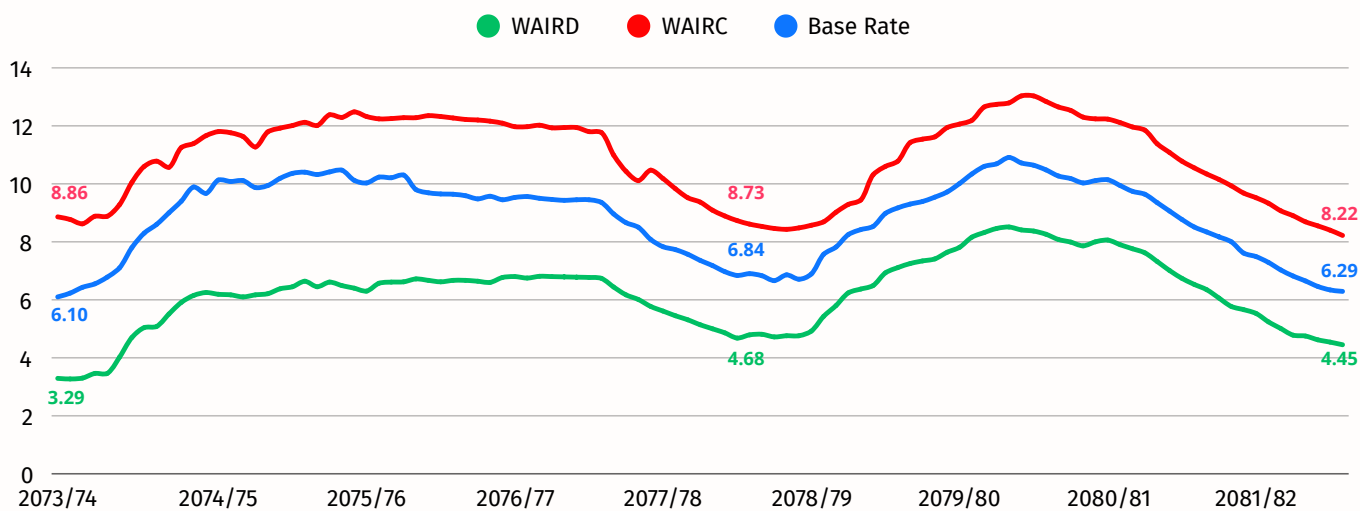
Amount in Billions (Rs.)



## Claims on Private Sector (y-o-y)



## Base Rate and Weighted Interest Rates of Commercial Banks





## Deposit & Lending of Commercial Banks

### FY 2080/81

	Shrawan 1, 2080	Chaitra 30, 2080	Amount in Billions (Rs.)	
			Growth	Growth (%)
Deposit	5086	5442	356	7.00%
Lending	4318	4537	219	5.07%

### FY 2081/82

	Shrawan 1, 2081	Chaitra 31, 2081	Amount in Billions (Rs.)	
			Growth	Growth (%)
Deposit	5755	6120	365	6.35%
Lending	4571	4915	344	7.54%

Source: Nepal Bankers' Association

## Sector-wise Lending of Commercial Banks

	Amounts in Billion (Rs.)		CHANGES SINCE	(%)CHANGES SINCE
	Chaitra 2080	Chaitra 2081	Chaitra 2080	Chaitra 2081
Agricultural and Forest Related	365.60	362.43	(3.18)	-0.87%
Fishery Related	16.35	16.83	0.48	2.91%
Mining Related	12.13	11.84	(0.30)	-2.46%
Agriculture, Forestry & Beverage Production Related	854.62	943.98	89.37	10.46%
Construction	220.68	231.66	10.98	4.98%
Electricity, Gas and Water	351.66	423.99	72.33	20.57%
Metal Products, Machinery & Electronic Equipment & Assemblage	72.23	73.22	0.99	1.36%
Transport, Communication and Public Utilities	91.45	80.03	(11.42)	-12.49%
Wholesaler & Retailer	1,022.02	1,050.95	28.93	2.83%
Finance, Insurance and Real Estate	390.05	436.35	46.30	11.87%
Tourism Services	226.58	250.44	23.86	10.53%
Other Services	201.46	219.69	18.23	9.05%
Consumption Loans	978.87	1,097.91	119.04	12.16%
Local Government	1.22	1.23	0.01	0.58%
Others	323.53	333.82	10.29	3.18%
<b>TOTAL</b>	<b>5,128.44</b>	<b>5,534.35</b>	<b>405.91</b>	<b>7.91%</b>

Source: NRB

## Product-wise Lending of Commercial Banks

	Amounts in Billion (Rs.)		CHANGES SINCE	(%)CHANGES SINCE
	Chaitra 2080	Chaitra 2081	Chaitra 2080	Chaitra 2081
Term Loan	1,860.25	2,025.77	165.52	8.90%
Overdraft	130.58	109.25	(21.33)	-16.33%
Cash Credit Loan	658.18	682.66	24.48	3.72%
Trust Receipt Loan/Import Loan	73.41	133.03	59.62	81.21%
Demand & Other Working Capital Loan	771.92	848.47	76.55	9.92%
Residential Personal Home	386.75	407.11	20.36	5.26%
Real Estate Loan	252.21	279.88	27.68	10.97%
Margin Nature Loan	86.19	124.12	37.94	44.02%
Hire Purchase Loan	132.35	129.19	(3.17)	-2.39%
Deprived Sector Loan	315.29	300.03	(15.26)	-4.84%
Bills Purchased	5.88	9.65	3.77	64.04%
Other Product	455.42	485.18	29.76	6.53%
<b>TOTAL</b>	<b>5,128.44</b>	<b>5,534.35</b>	<b>405.91</b>	<b>7.91%</b>

Source: NRB

## Financial Access of Commercial Banks

			CHANGES SINCE	(%)CHANGES SINCE
	CHAITRA 2080	CHAITRA 2081	CHAITRA 2080	CHAITRA 2080
NO. OF BRANCHES	5,042	5,083	41	0.81%
NO. OF DEPOSIT ACCOUNTS	46,892,032	50,374,794	3,482,762	7.43%
NO. OF LOAN ACCOUNTS	1,554,703	1,621,901	67,198	4.32%
NO. OF BRANCHLESS BANKING CENTERS	1,178	957	(221)	-18.76%
NO. OF MOBILE BANKING CUSTOMERS	20,663,461	23,150,177	2,486,716	12.03%
NO. OF INTERNET BANKING CUSTOMERS	1,334,692	1,563,870	229,178	17.17%
NO. OF ATMS	4,704	4,877	173	3.68%
NO. OF DEBIT CARDS	11,606,180	12,313,034	706,854	6.09%
NO. OF CREDIT CARDS	282,889	310,189	27,300	9.65%
NO. OF PREPAID CARDS	163,548	232,650	69,102	42.25%

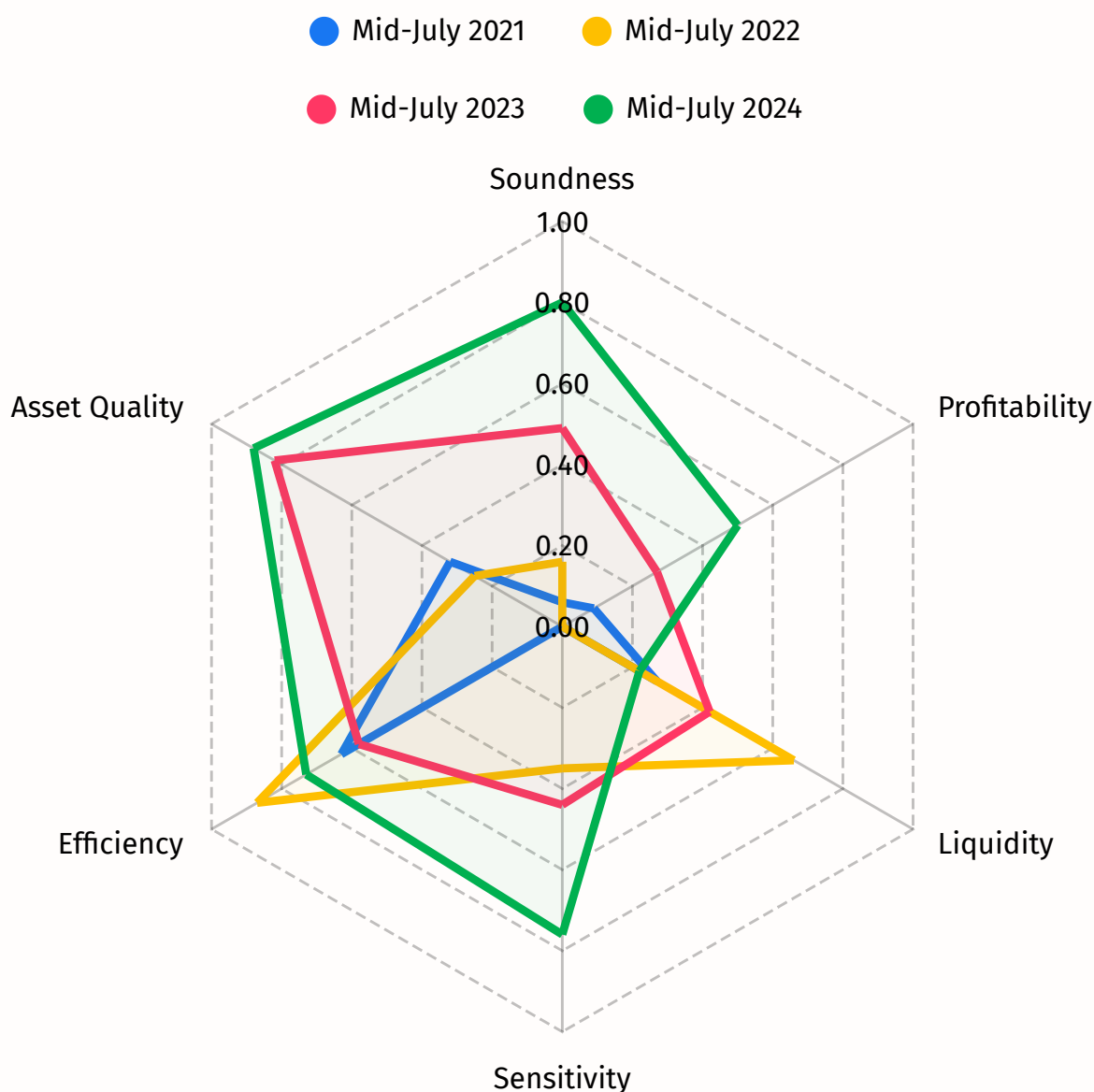
Source: NRB



## Banking Stability Indicator

### Banking Stability Indicator (BSI) and Banking Stability Map

The BSI aggregates various financial metrics into a single composite index to provide an overall assessment of banking stability. This index typically includes metrics such as asset quality (NPL), soundness (Capital Adequacy Ratio), liquidity (Net Liquid Assets Ratio), efficiency, and profitability. It helps to assess the overall health of the domestic banking system considering different risk areas, comparing the present health of the banking system with its recent past.

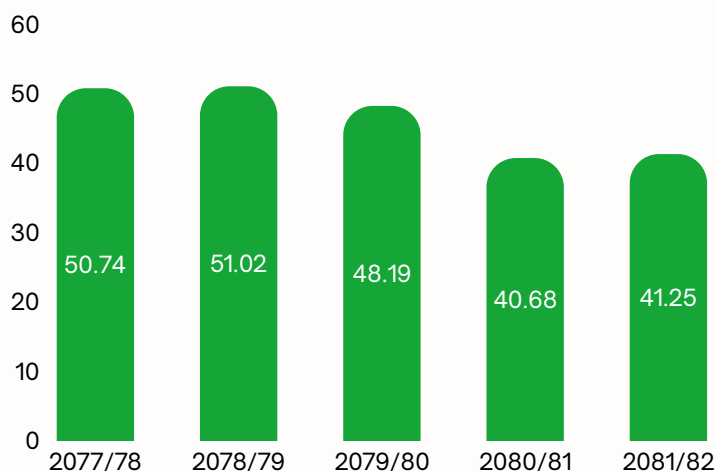


Note: Away from the center indicates increase in risk

Source: Financial Stability Report: 2023/24, NRB

## Avg. Net Profit of Commercial Banks

Amount in Billions (Rs.)

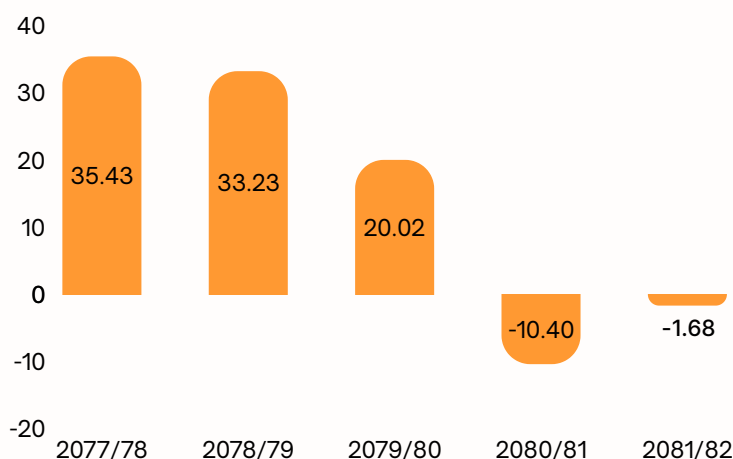


Source: Unaudited Q3 Reports of Commercial Banks

Net Profit  
**41.25** billions

## Avg. Distributable Profit of Commercial Banks

Amount in Billions (Rs.)

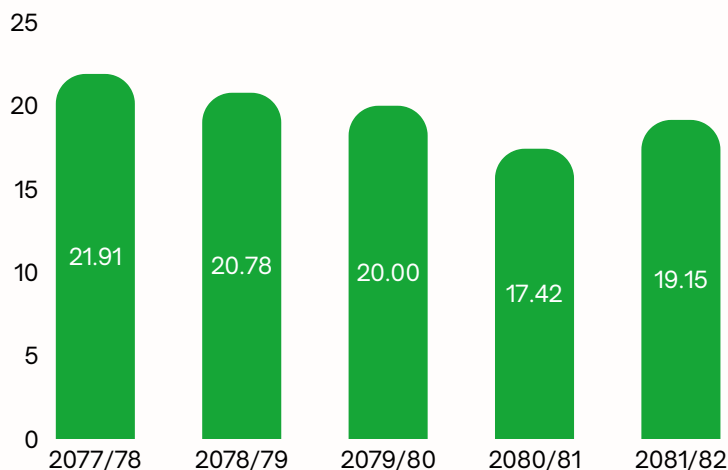


Source: Unaudited Q3 Reports of Commercial Banks

Distributable Profit  
**-1.68** billions

## Avg. Income Tax Paid of Commercial Banks

Amount in Billions (Rs.)

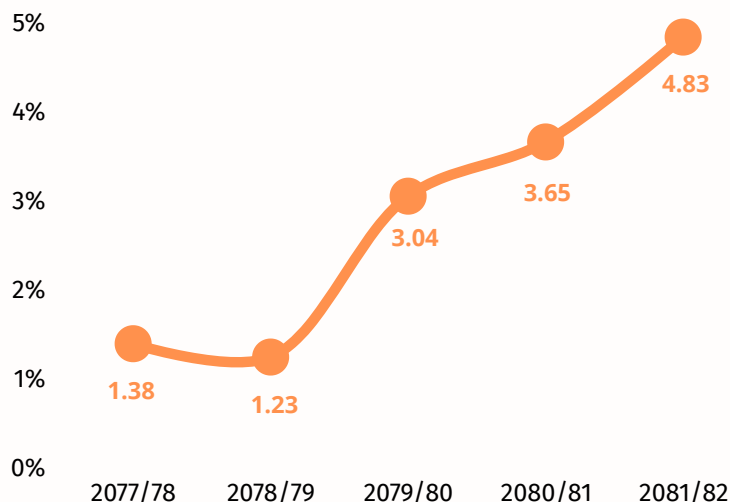


Source: Unaudited Q3 Reports of Commercial Banks

Income Tax  
**19.15** billions



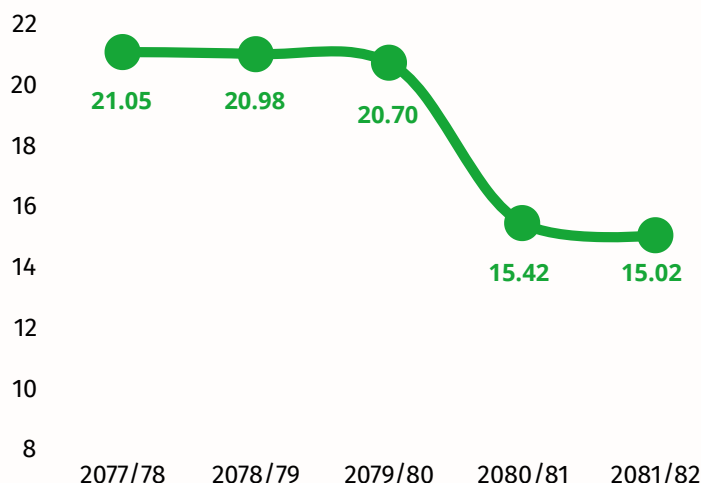
## Avg. Non Performing Loans of Commercial Banks



Source: Unaudited Q3 Reports of Commercial Banks

Non Performing Loan  
**4.83%**

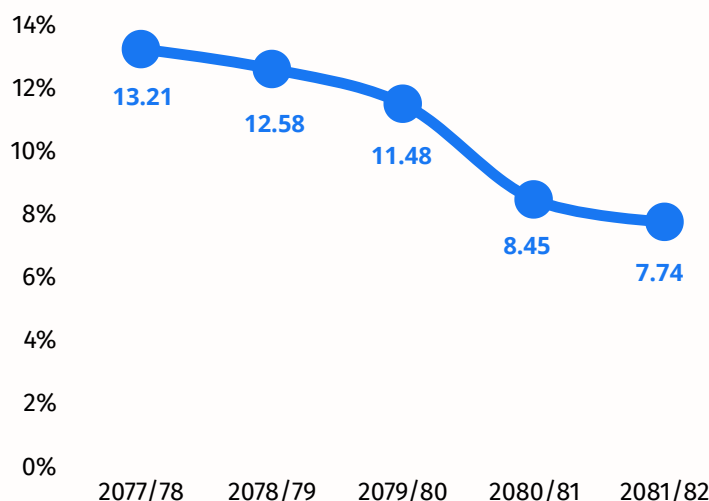
## Avg. Earning Per Share of Commercial Banks



Source: Unaudited Q3 Reports of Commercial Banks

Earning Per Share  
**15.02**

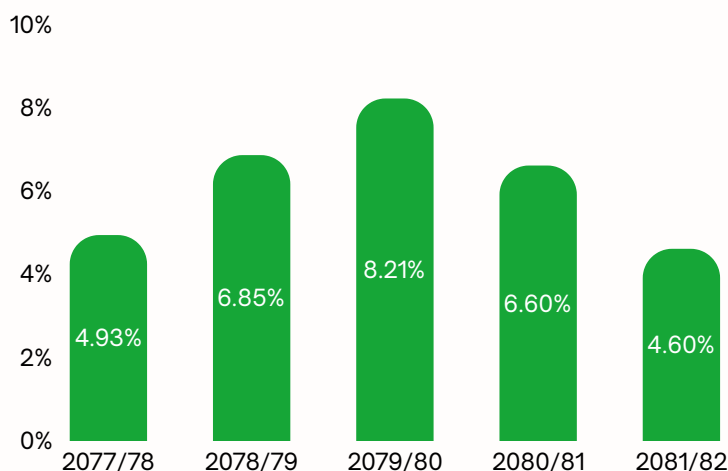
## Avg ROE of Commercial Banks



Source: Unaudited Q3 Reports of Commercial Banks

Return on Equity  
**7.74%**

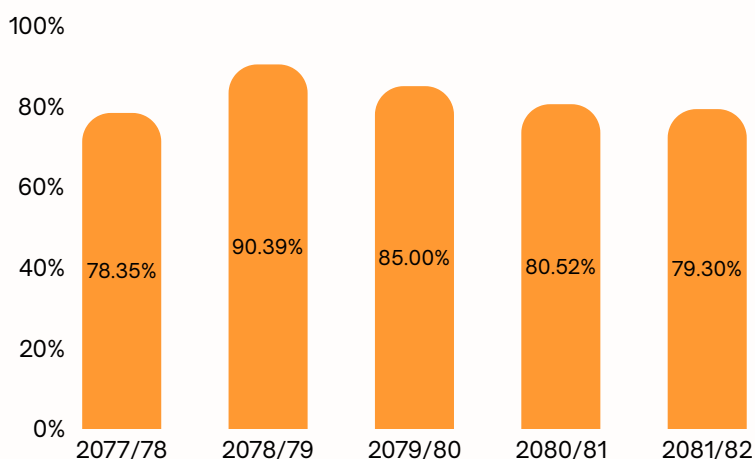
## Avg Cost of Funds of Commercial Banks



Source: Unaudited Q2 Reports of Commercial Banks

Cost of Funds  
**4.60%**

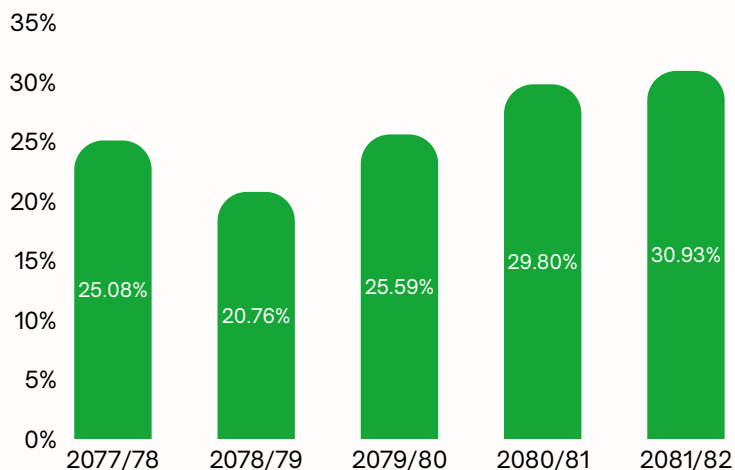
## Avg CD Ratio of Commercial Banks



Source: Unaudited Q3 Reports of Commercial Banks

CD Ratio  
**79.30%**

## Avg Liquidity Ratio of Commercial Banks



Source: Unaudited Q3 Reports of Commercial Banks

Liquidity Ratio  
**30.93%**



# NBA ACTIVITIES

MAGH - CHAITRA 2081

## MoU signed between NBA and DAI Udaya

January 21, 2025 - Nepal Bankers' Association signed a Memorandum of Understanding (MoU) with DAI Global UK Ltd./Udaya-Investment and Innovation for Economic Development Program. On behalf of NBA, Mr. Anil Sharma, Executive Director and on behalf of DAI Global UK Ltd. /Udaya-Investment and Innovation for Economic Development, Mr. Arun Rana Chief of Party/Team Leader signed the MoU.



The primary goal of this engagement is to develop collaborative initiatives that create a conducive environment for both banks and SMEs to achieve sustainable growth. This partnership more focuses on capacity building and coordination to support SME growth in Koshi Province.

The collaboration between the two parties is expected to play a key role in conducting effective need assessments, setting goals and providing tools to drive positive changes in SME lending, which shall be achieved through resource and knowledge sharing as well as outreach, promotional activities, events and campaigns.

## Media Interaction Program

January 21, 2025 - Nepal Bankers' Association (NBA) organized regular media interaction program at NBA Office, Central Business Park, Kathmandu. The objective of the program was to provide updates on the current economic landscape and share relevant insights about the banking industry which also served as an interactive platform for addressing queries from media representatives on various contemporary banking and financial issues.

Delivering the opening remarks, NBA President Mr. Santosh Koirala warmly welcomed all and expressed sincere gratitude to the media for their continuous support and collaboration. He highlighted that while macroeconomic indicators have shown some positive signs, the Nepalese banking sector continues to face significant challenges.



He emphasized that banks' profitability has been severely impacted, with distributable profits in negative, ROE has been consistently declining. He also pointed raising NPL and recovery as a major challenge, emphasizing the need to enhance the confidence level of entrepreneurs. Mr. Koirala further highlighted the operational difficulties faced by banks, pointing out growing security concerns as financial institutions are increasingly being physically attacked and threatened. He stressed that the government must take these security issues seriously to ensure a safe and stable banking environment.

NBA Vice-President, Mr. Surendra Raj Regmi, emphasized that Nepal's banking sector remains highly competitive, resilient, and well-regulated and has been one of the most transparent sectors in Nepal. Mr. Regmi highlighted that though the NPL is rising but they remain at manageable levels. He underscored that, as trustees of public funds, banks must be safeguarded to ensure financial stability. He also expressed gratitude to the media for their continued cooperation and support in fostering a positive business environment. Furthermore, he stressed the importance of the government's role in boosting economic activities and creating a conducive environment for sustainable economic growth.

During the session, NBA Executive Director Mr. Anil Sharma, delivered a comprehensive and insightful overview of both national and international economic scenarios. He provided a thorough analysis of the latest economic trends and developments, with a special emphasis on Nepal's banking industry in-depth financial analysis of the second quarter of current fiscal year. He also emphasized the importance of creating an enabling business environment, increasing capital expenditure, attracting foreign direct investment and grants, enhancing public and entrepreneurial confidence, ensuring the timely payment of government outstanding dues, and promoting key sectors such as tourism, services, and hydropower as a way forward to tackle the current economic challenges.



The interaction program witnessed the participation of media personnels representing various media houses.

## Webinar on Enhancing AML Risk Assessment

22 January 2025 - Nepal Bankers' Association (NBA), in collaboration with ACAMS, organized a webinar for member banks to strengthen their understanding of Anti-Money Laundering (AML) compliance and risk mitigation frameworks.



During the program, Ms. Tanya Montoya, Director of Product and Technology – AML Risks at ACAMS, provided insights into advanced approaches to AML risk assessment. She emphasized the critical need to establish global AML control standards and measure the effectiveness of institutions' preventive and detective controls. Ms. Montoya also highlighted how institutions can leverage technology to develop robust compliance frameworks capable of addressing evolving threats and meeting regulatory expectations.

Similarly, Mr. Vanny Dang, Regional Senior Business Development Manager at ACAMS, discussed the practical aspects of AML and suspicious activity risk assessments. She underscored the importance of identifying risks across products, high-risk customer types, and geographies while addressing suspicious activities such as fraud, terrorist financing, cyber events, and money laundering.

The webinar was attended by over 50 officials from various commercial banks.

## Interaction Program on goAML Issues with FIU

February 2, 2025 - Nepal Bankers' Association (NBA) organized an interaction program focusing on goAML Operational Guidelines with the Financial Intelligence Unit (FIU) of Nepal Rastra Bank (NRB). The event brought together officials from Banks and Financial Institutions (BFIs), including Commercial Banks, Development Banks as well as representatives from FonePay and the Nepal Clearing House Limited (NCHL).



The primary objective of the session was to provide stakeholders with a comprehensive understanding of the forthcoming amendments to the goAML Operational Guidelines and to discuss the practical challenges associated with their implementation, along with potential solution.

During the program Mr. Keshav Prasad Rimal, Deputy Director at NRB, emphasized the significance of the goAML system in strengthening AML/CFT measures. He elaborated on the key amendments being introduced and their implications for financial institutions, highlighting the necessity for robust compliance mechanisms. Mr. Rimal also acknowledged the NBA's proactive efforts in organizing the session to facilitate dialogue and clarity on these critical regulatory changes.



Addressing queries from participants, Mr. Kamal Poudel, Assistant Director at NRB, assured that the central bank remains committed to ensuring a smooth transition for all financial institutions. He affirmed that reasonable time would be provided for the banks to align with the goAML requirements. Furthermore, he elaborated on key components of the updated guidelines, including XML upload requirements, the minimum mandatory information for transaction reporting, and other compliance enhancements aimed at improving regulatory oversight and financial transparency.

In his closing remarks, Mr. Kapil Gautam, Senior Officer at NBA, extended his gratitude to officials from NRB for their valuable insights and guidance. He also appreciated the enthusiastic participation from various financial institutions, acknowledging their commitment to reinforcing AML/CFT measures. Mr. Gautam reiterated NBA's dedication to supporting its member banks in ensuring a seamless adoption of the goAML system and fostering a more compliant and transparent financial sector. The program was attended by over 60 representatives from various institutions.



## Interaction Program on Current Issues in Cybersecurity



February 4, 2025 - Nepal Bankers' Association (NBA) successfully organized an interaction program on "Current Issues in Cybersecurity" with officials from Cyber Bureau. The program aimed to discuss emerging cybersecurity challenges, recent trends in cyber fraud, security measures, and strategies for mitigating risks within the banking sector.



Mr. Janardhan Ghimire, Deputy Superintendent of Police (DSP) at Cyber Bureau, Nepal Police, provided a comprehensive overview of current trend and challenges of cyber fraud cases. Highlighting the growing prevalence of cyber fraud, DSP Ghimire mentioned that investment fraud, particularly through social media platforms such as Facebook and Telegram, along with email scams, has been alarmingly high.



During the interactive discussion, DSP Ghimire addressed queries from participants, shedding light on the major sources and methods used for transferring funds illegally to foreign countries. He explained that fraudulent transactions often involve informal money transfer channels such as Hundi, cryptocurrency platforms like Binance. He assured that the Cyber Bureau is open to work closely with banks and financial institutions to address cybersecurity threats promptly.



In his closing remarks, Mr. Kapil Gautam, Senior Officer at NBA, expressed sincere gratitude to the officials from Cyber Bureau for their valuable support and insights. He highlighted the significance of continued dialogue and cooperation between the regulatory bodies, law enforcement agencies and banking sector to ensure a safer and more secure banking environment.

The program was attended by over 50 representatives from member banks.

## Meeting with British International Investment

February 6, 2025 - Nepal Bankers' Association (NBA) held a meeting with Mr. Colin Buckley, Managing Director and General Counsel of British International Investment (BII), to discuss Nepal's current investment environment and explore opportunities for collaboration with Development Finance Institutions in the country's financial sector.



The discussions focused on key issues, including the investment climate, lending practices of banks, and the dynamic landscape of Nepal's banking industry, aiming to enhance capital flows and promote sustainable economic growth.

Furthermore, the meeting explored areas of partnerships and collaboration to strengthen Nepal's financial ecosystem. Both parties exchanged insights on fostering resilience within the banking sector and deepening engagement with international financial institutions, paving the way for future cooperation and sustainable investment opportunities in Nepal.



## Discussion Program on Loan Loss Provisioning Norms in SAARC Region

February 7, 2025 - Nepal Bankers' Association (NBA) successfully organized a discussion program on "Loan Loss Provisioning Norms in the SAARC Region" bringing together banking officials and key stakeholders to exchange insights on regulatory frameworks and industry practices. The event was graced by the presence of Mr. Guru Prasad Paudel, Executive Director, Banks and Financial Institutions Regulation Department, and Mr. Ramu Paudel, Executive Director of the Bank Supervision Department of Nepal Rastra Bank. The program aimed to facilitate in-depth discussions on various aspects of loan loss provisioning norms, with a particular focus on differences in regulatory approaches across the SAARC region and their implications for the banking sector.

The event commenced with a comprehensive presentation by Mr. Ram Kumar Tiwari, Managing Director & Chief Executive Officer of Nepal SBI Bank Ltd. He provided valuable insights through a comparative analysis of loan loss provisioning norms. He also highlighted that the regulatory policies in India and Bangladesh are generally more relaxed compared to Nepal. Mr. Tiwari further delved into the key aspects including Substandard and Doubtful Assets, Provision for Restructuring and Rescheduling, Provision for Upgradation of Non-Performing Assets, and Interest Income Recognition, among others.



During the program, Mr. Guru Prasad Paudel, Executive Director, Banks and Financial Institutions Regulation Department, NRB, emphasized that the growing NPLs in Nepal should not be perceived solely as a banking issue but rather as a reflection of broader economic challenges. He also pointed out that the NPLs are rising in key economic sectors such as manufacturing, construction, agriculture, and MSMEs and shared insights into the upcoming adoption of Expected Credit Loss (ECL) provisioning practices.

Similarly, Mr. Ramu Paudel, Executive Director, Bank Supervision Department, NRB stated that NRB continuously monitors and analyzes NPL trends and provisioning norms in other countries to align Nepal's regulatory framework with international standards. He stressed the importance of collaboration among regulators, banking institutions, and stakeholders in strengthening Nepal's financial stability. He also acknowledged NBA's efforts in organizing the discussion and fostering constructive engagement within the industry.



In his closing remarks, NBA President, Mr. Santosh Koirala expressed his sincere gratitude to all. He acknowledged the importance of such dialogues in fostering a deeper understanding of regulatory frameworks and their impact on the banking sector. Mr. Koirala emphasized that, given the current economic challenges, there is an urgent need for a more adaptive and pragmatic approach to regulatory policies. He urged NRB to assess the existing loan loss provisioning norms and formulate policies accordingly.

The program was attended by over 35 high-level representatives from Nepal Rastra Bank, Development Bankers Association Nepal, Nepal Financial Institutions Association, Nepal Micro-Finance Bankers' Association.





## Interaction Program on goAML Operational Guidelines

March 7, 2025 - Nepal Bankers' Association (NBA), in collaboration with Financial Intelligence Unit (FIU) Nepal, successfully organized a program on recent amendments to the goAML Operational Guidelines and enhancing compliance standards for reporting entities. The main objective of the program was to bring together key stakeholders to discuss on recent changes on goAML system and strengthening reporting mechanisms in line with regulatory requirements.

Setting the tone for the program, NBA Executive Director, Mr. Anil Sharma, welcomed all representatives and extended his gratitude to FIU Nepal, UNODC delegates and all participants for their presence. He encouraged participants to actively engage with experts and take full advantage of the platform to clarify concerns regarding compliance and reporting procedures.



During the program, FIU Nepal Head, Mr. Bashu Dev Bhattarai, provided an overview of the recent amendments to the goAML Operational Guidelines and highlighted the necessary improvements in compliance practices. He emphasized the importance of enhanced reporting mechanisms and stronger financial monitoring to combat financial crimes in the evolving digital landscape. Furthermore, he noted that the new developments in goAML would help reduce the workload for banking officials, streamlining reporting processes and improving efficiency.

A key session of the program was led by Mr. Ameen Safadi, Product Manager at the United Nations Office on Drugs and Crime (UNODC). With extensive experience in implementing goAML systems worldwide, he delivered critical insights on goAML best practices and the latest enhancements in goAML system. His presentation focused on the latest version of the goAML system, introducing new features and enhancements that improve reporting accuracy and efficiency. He explained how the system functions, the need for its advanced version, and the importance of using the correct reporting format. He stressed that only when financial institutions input data in the correct format can the system generate optimal results.



The program was attended by more than 75 participants including representatives from commercial banks, development banks, finance companies, insurance companies, and Infrastructure Development Bank.



## Interaction Program on Digital Leadership in the AI Era

March 13, 2025 - Nepal Bankers' Association (NBA) successfully hosted an interaction session on "Digital Leadership in the AI Era," bringing together banking professionals and experts. The event aimed to facilitate discussions on emerging AI-driven technologies and strategies to enhance banking operations in Nepal.



In his welcome remarks, NBA Executive Director, Mr. Anil Sharma set the tone for the session, emphasizing the significance of AI-driven transformation in the banking sector. He further highlighted that the industry must embrace the recent technological changes and leverage AI-driven solutions to enhance operations. He also encouraged participants to actively engage in discussions and to make the most of the session.

In his remarks, Mr. Sanjib Subba, Founder of Kathmandu Fintek, emphasized the rapidly evolving global banking landscape, where AI is playing a key role. He stressed that existing banks must proactively assess the future of banking and develop strategic plans to adapt to this changing environment.

The event featured a presentation session by Mr. Emmanuel Daniel, a globally recognized thought leader in financial services and digital transformation. Mr. Daniel, the Founder of The Asian Banker (TAB Global), shared insights on how AI is redefining leadership, decision-making, and the financial industry.

During his presentation, Mr. Daniel highlighted the future of banking in Nepal, focusing on key technological advancements such as machine learning, prompt engineering, central bank digital currencies (CBDCs), cryptocurrency, and digital banking. He also elaborated on the challenges and opportunities associated with AI adoption, emphasizing Nepalese banks' potential to advance in technological integration through strategic use of AI-driven solutions. Furthermore, he highlighted that the trend in banking has undergone a significant shift. In the past, customers would visit banks to access services, but this dynamic has now reversed. This shift has brought new challenges for the banking industry, as it requires banks to innovate and adapt to meet the rising demand for 24/7 digital services.



Additionally, he reflected on regional and global banking trends, emphasizing the need for upskilling bank employees to keep pace with technological advancements. "Nepal's banking sector has made remarkable progress in digital banking and technological adoption, with even smaller banks embracing innovation," he noted. He also pointed out that data - particularly customer behaviour related insights - is the most valuable asset for banks. He urged banks to leverage AI and data analytics to offer personalized financial services and enhance decision-making. He also highlighted how, at its core, banking facilitates economic growth, fosters financial inclusion and supports communities, making it a key driver of progress in both local and global contexts.



## Global Money Week 2025 Rally by NBA Bagmati (Chitwan) Committee

March 21, 2025 - NBA Bagmati (Chitwan) Committee celebrated Global Money Week 2025 with the theme "Think before you follow, wise money tomorrow."



The rally brought together participation from A, B, and C class banks and financial institutions, featuring awareness campaigns on topics like budgeting, saving, investing, and importance of financial planning.



## MoU Signed Between NBA & IFC to Strengthen Climate Finance Initiatives

25 March 2025 - Nepal Bankers' Association (NBA) and International Finance Corporation (IFC), World Bank Group have signed a Memorandum of Understanding (MoU) to enhance climate finance initiatives, strengthen the sustainable finance practices and to address the climate change challenges.

The MoU was signed by Mr. Santosh Koirala, President, Nepal Bankers' Association and Mr. Allen Forlemu, Regional Industry Director, FIG Asia and Pacific, IFC, at a formal ceremony held at IFC Nepal's office. The agreement marks a significant step in fostering collaboration to support the Nepalese banking industry in integrating climate risk considerations into financial decision-making and mobilizing resources for sustainable investments.

Speaking at the signing ceremony, Mr. Koirala emphasized NBA's commitment to advancing sustainable finance practices in Nepal's banking sector. He highlighted that the growing risk of climate change requires a concerted effort from all stakeholders and these challenges demand urgent action, not just from governments and policymakers, but also from the private sector, particularly the banking industry, which plays a key role in mobilizing resources and driving sustainable development.




Mr. Forlemu emphasized the strong partnership between IFC and NBA, highlighting that NBA is a highly valued partner in advancing sustainable finance in Nepal. He stated that this collaboration would be instrumental in supporting Nepalese banks to integrate Environmental, Social, and Governance (ESG) principles into their operations. By doing so, banks can align with global sustainability standards, enhance risk management, resource mobilization and contribute to a more resilient and responsible financial sector.


The collaboration between NBA and IFC, supported by the European Union ACSIS Program, will focus on key areas such as conducting baseline and market opportunity studies, and facilitating training/workshop for concerned stakeholders to promote the climate resilience



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