

(MAY, 2026)

QUARTERLY NEWSLETTER



FY 2082/83-Q3

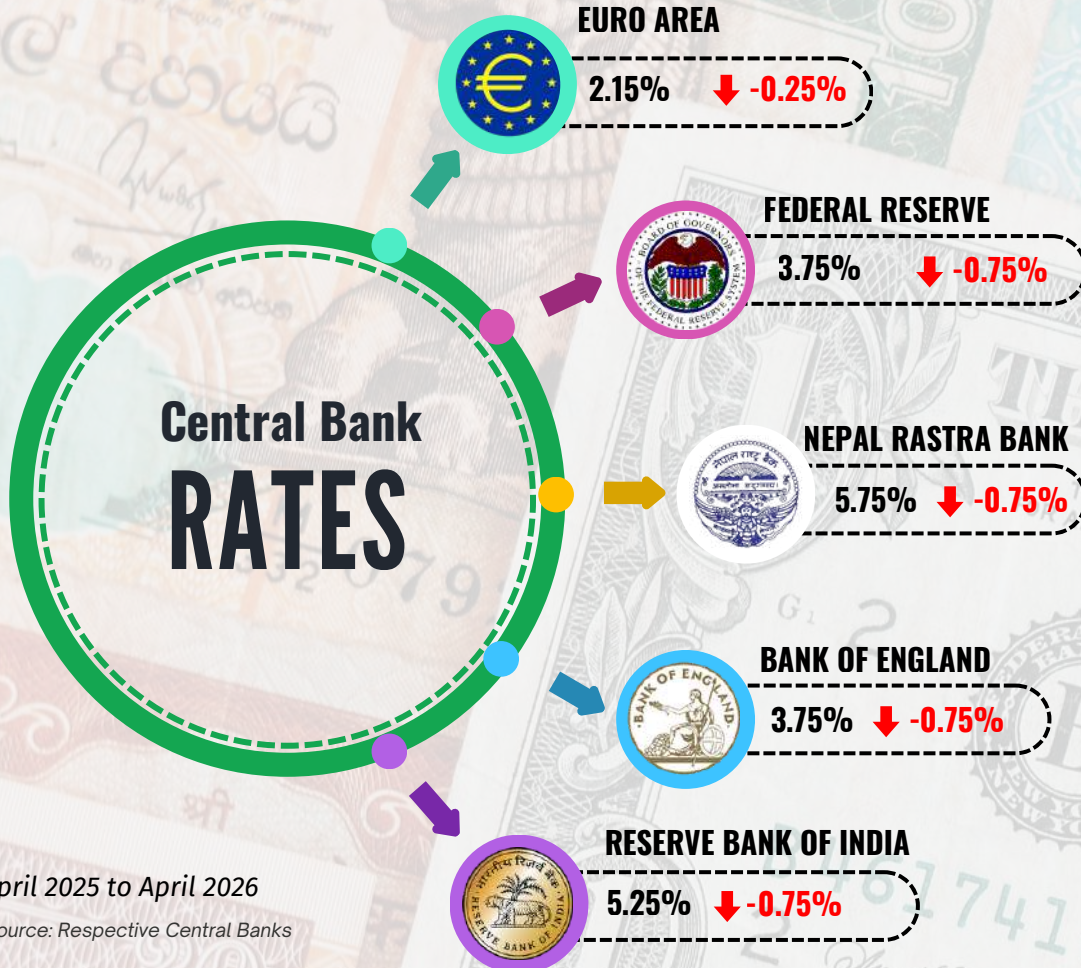
MID JANUARY 2026 TO MID APRIL 2026
(MAGH 2082 TO CHAITRA 2082)



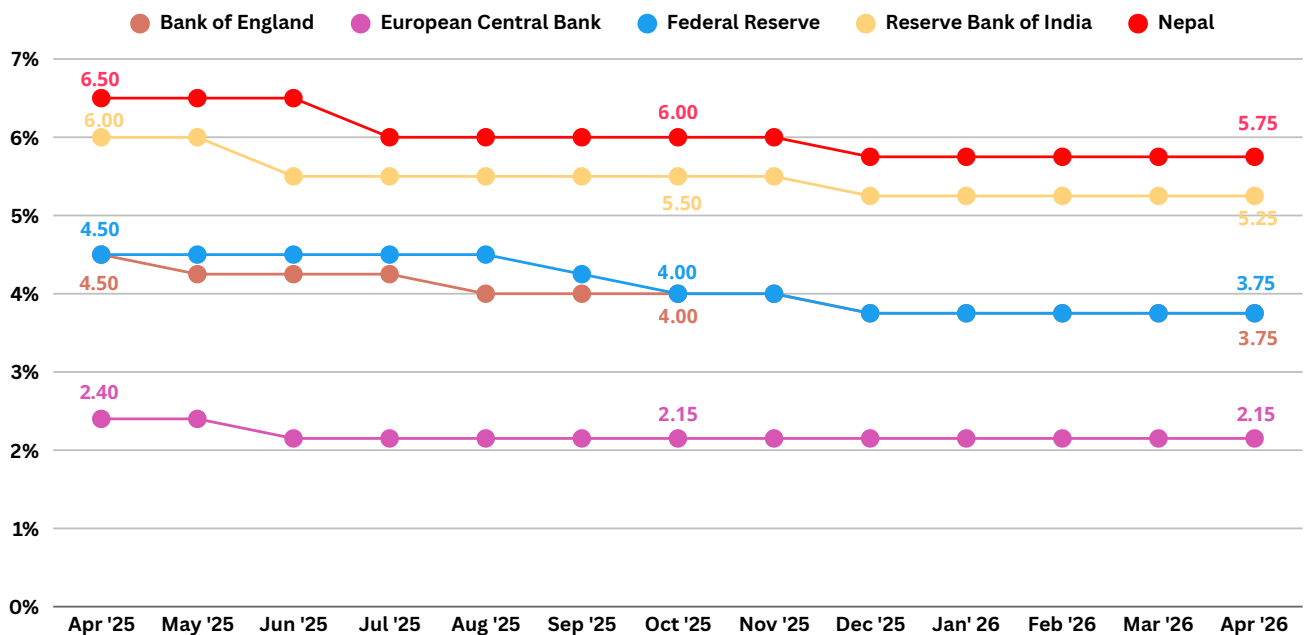
PUBLISHED BY NEPAL BANKERS' ASSOCIATION



GLOBAL SCENARIO

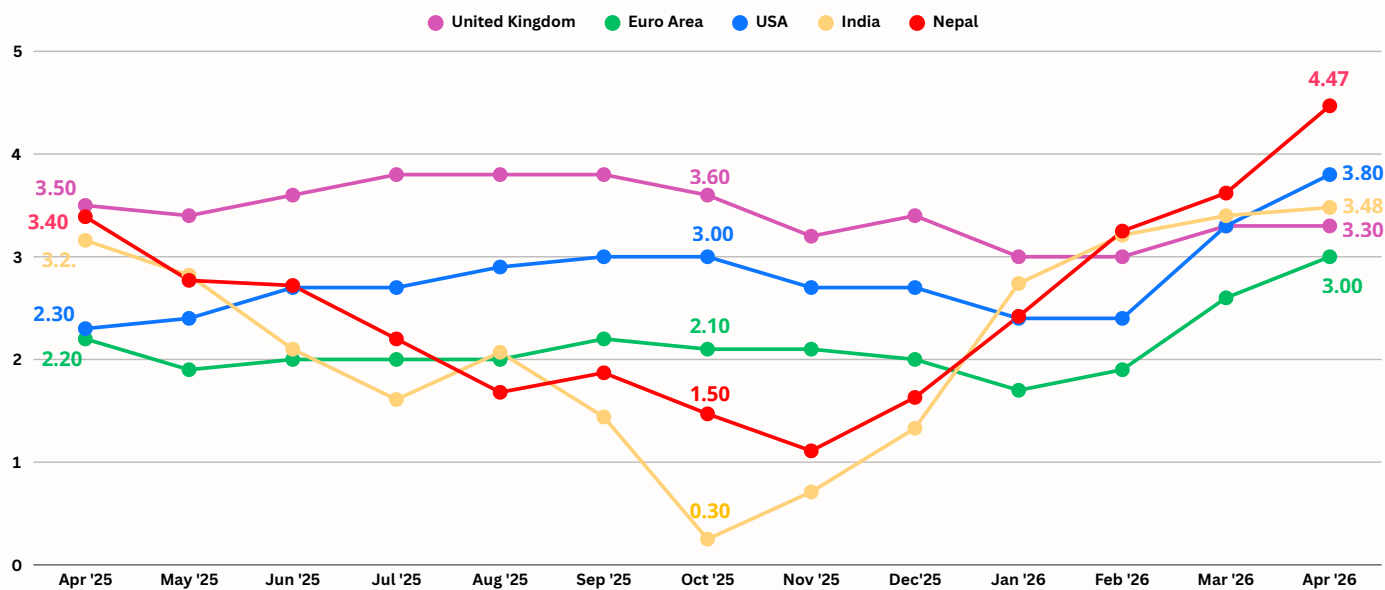


Central Bank's Interest Rate in Major Economies (in %)



Source: Respective Central Banks

Inflation in Major Economies (in %)



Source: Respective Central Banks

ADB Inflation Projection (in %)

	2024	2025e	2026f	2027f
Developing Asia	5.3	3.0	3.6	3.4
Developing Asia (excluding China)	10.5	6.1	6.8	5.8
Caucasus and Central Asia	41.5	25.5	20.6	16.3
East Asia	0.2	0.0	0.6	1.0
South Asia	6.4	2.9	5.0	4.6
Southeast Asia	3.0	2.3	3.2	2.8
The Pacific	1.7	3.0	4.2	3.5

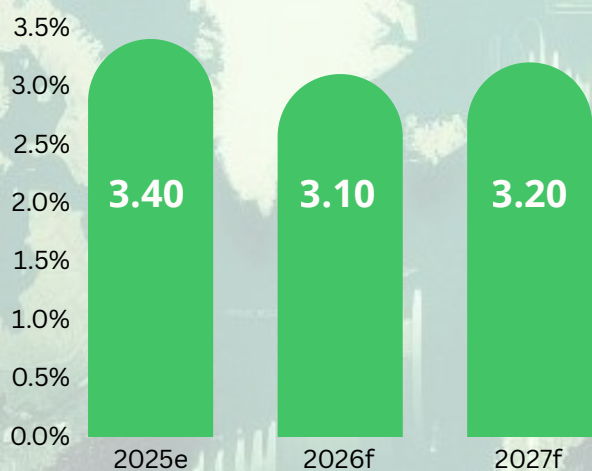
Source: Asian Development Outlook, April 2026

e - estimated

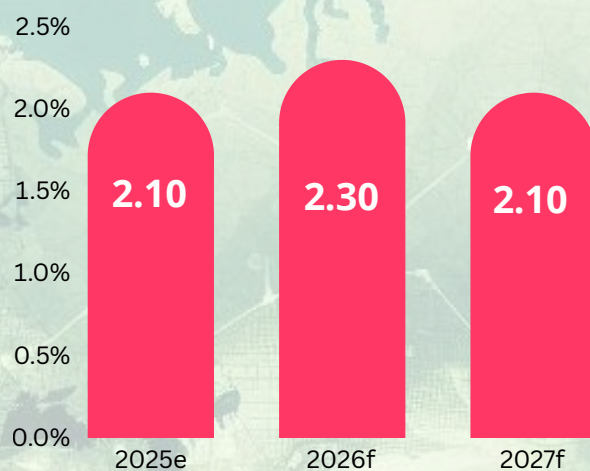
f - forecast

IMF Projections

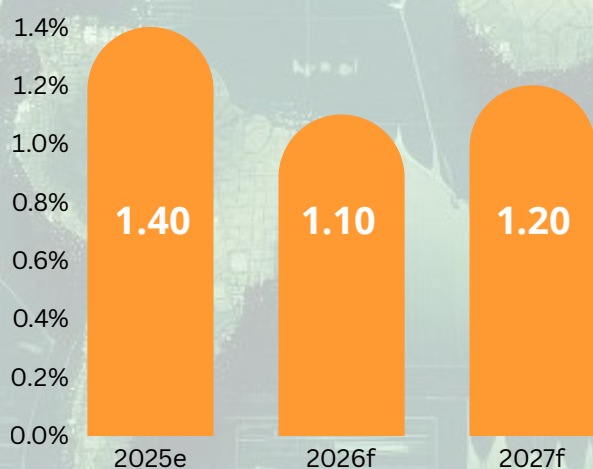
Real GDP Growth Projections (in %)



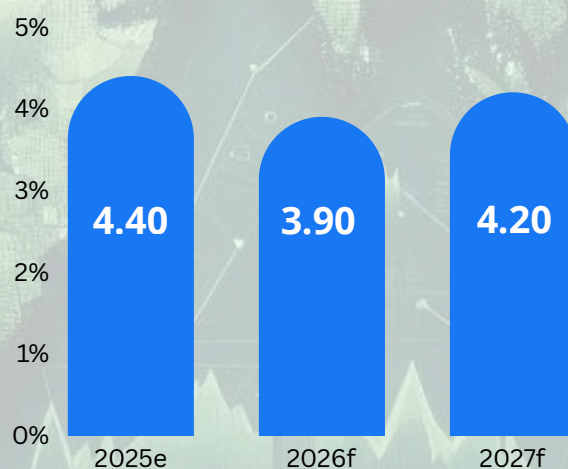
WORLD



UNITED STATES



EURO AREA



EMERGING AND DEVELOPING ASIA

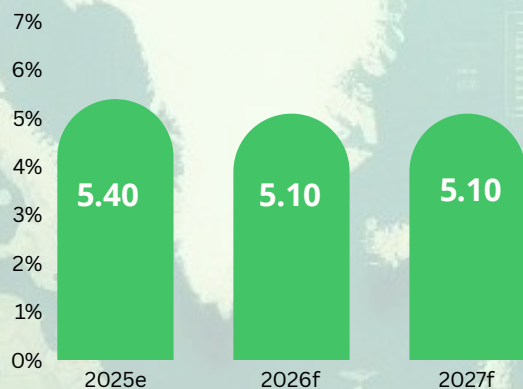
Source: World Economic Outlook, April 2026

e - estimated

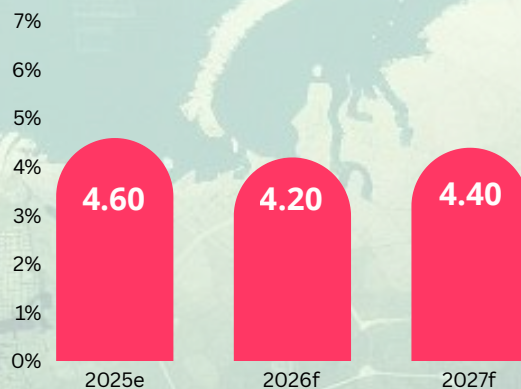
f - forecast

ADB Projections

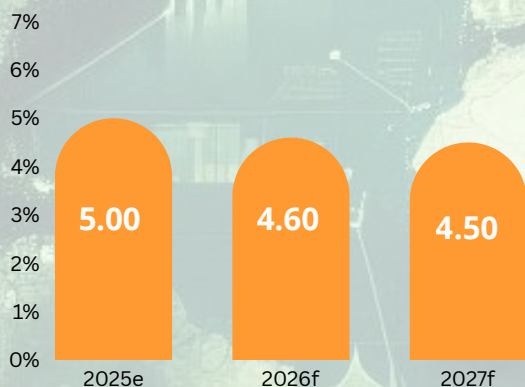
Real GDP Growth Projections (in %)



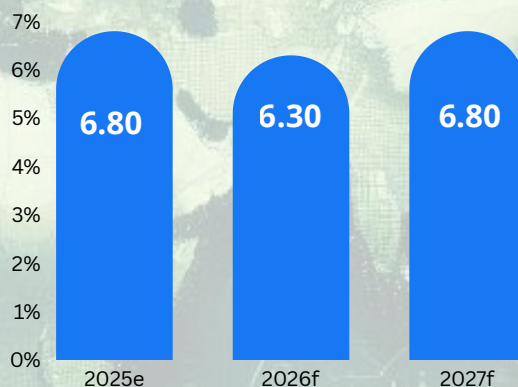
DEVELOPING ASIA



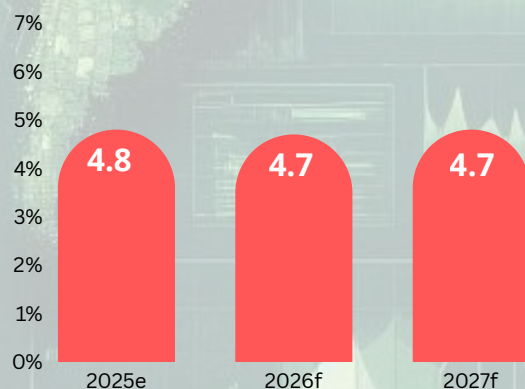
CAUCASUS AND CENTRAL ASIA



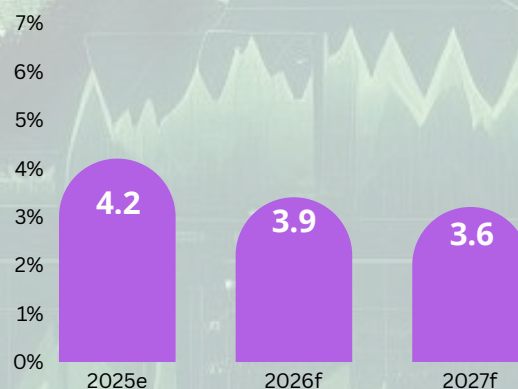
EAST ASIA



SOUTH ASIA



SOUTHEAST ASIA



THE PACIFIC

Source: Asian Development Outlook, April 2026

e - estimated
f - forecast

Asian Development Outlook 2026 - Highlights

- The conflict in the Middle East has reintroduced geopolitical tensions and energy market disruptions as central drivers of the global macroeconomic outlook. While developing Asia and the Pacific (DAP) has only modest direct trade exposure to Middle Eastern economies, it is highly vulnerable to spillovers transmitted through global energy markets, trade and transport networks, and financial conditions.
- Economies in the Middle East are major suppliers of fertilizers and related inputs, including urea and ammonia, much of which transits through the Strait of Hormuz, a critical waterway for commodity exports. Disruptions to production and transport have already tightened these markets, pushing up prices. This raises agricultural production costs and can feed through with a lag into food prices.
- Regional financial conditions have tightened since the Middle East conflict, financial markets weakened as volatility increased and risk sentiment deteriorated. Equity prices declined, risk premiums widened, bond yields rose, and most regional currencies depreciated against the US dollar. Global and regional financial conditions could tighten further if the conflict worsens, exacerbating debt vulnerability in highly leveraged economies and weighing on investment and external demand.
- Under the early stabilization scenario, growth in developing Asia and the Pacific is forecast to moderate to 5.1% in both 2026 and 2027. However, alternative assumptions suggest that it would fall to 4.7% in 2026 and 4.8% in 2027 if disruptions in the Middle East last through the third quarter of 2026. These projections remain subject to an exceptionally high degree of uncertainty. The region entered this challenging environment with solid momentum, as growth strengthened to 5.4% in 2025 on resilient domestic demand.
- Economic activity over the forecast horizon will continue to be supported by steady labor markets, higher public infrastructure spending, and accommodative policy. The conflict will weigh on growth mainly through higher production costs and consumer prices, as well as weaker external demand from trade and tourism.
- Growth is set to moderate across all subregions in developing Asia and the Pacific. In the People's Republic of China (PRC), private consumption will remain subdued in line with modest household income growth, while continued property market weakness and slower export expansion are also expected to weigh on activity. Growth in India will ease but remain robust, bolstered by resilient consumption, recent trade agreements, and ongoing structural reforms.
- Under the early stabilization scenario, inflation is projected at 3.6% in 2026 and 3.4% in 2027, but alternative assumptions suggest that it would rise to 5.6% in 2026 if tensions in the Middle East last through the third quarter of this year. In the PRC, inflation is forecast to increase modestly reflecting higher food prices and as measures to curb excessive competition among producers gain traction. In South Asia, upward pressure on prices will come from food and energy inflation.
- A severe conflict escalation poses significant risks to the outlook. Higher energy and transport costs would intensify inflationary pressures, erode real incomes, and weigh more heavily on growth across DAP. Regional growth would be 1.3 percentage points lower over 2026-27 than projected under the early stabilization scenario, while inflation would be 3.2 percentage points higher. Supply chain disruptions and sharply deteriorating financial conditions could further amplify the effects.

Global Financial Stability Report, IMF - Key Policy Recommendations

Support market functioning:

National authorities should be ready to intervene and ensure that central bank liquidity facilities are operationally ready, to be deployed swiftly to support market functioning during stress. Authorities should also ensure that financial institutions can access these facilities. At the same time, the financial sector needs to enhance recovery and resolution frameworks to manage shocks without systemic disruption or requiring extraordinary public support.

Monetary policy:

Monetary policy should preserve price stability and be attuned to spillovers from actual inflation to inflation expectations, especially medium to long term. If monetary policy was already well calibrated before the current shock, monetary authorities may benefit from waiting for more clarity about its likely impact, but they should stand ready to tighten policies to contain second round effects.

Fiscal policy and rollover risks in bond markets:

The recent rise in term premiums of core sovereign bonds leaves little room for fiscal missteps. In many economies, fiscal policy remains too loose despite historically high debt, accommodative financial conditions before the war and, in some cases, persistent above-target inflation. Rising debt-servicing costs and weakening the safe haven role of sovereign bonds are of concern. Given these pressures, fiscal stances must shift toward appropriate tightening to rebuild buffers and place public debt on a clearly sustainable path in the years ahead, particularly in advanced economies facing rising spending needs from population aging, defense requirements, and heightened geopolitical risks.

Institutional governance:

As financial shocks become harder to contain and policy mistakes become more costly, strong governance frameworks for central banks and financial sector supervisors are critical. Central banks' operational independence, grounded in law and supported by adequate institutional and financial autonomy, must be complemented by clear mandates and robust accountability to ensure policy credibility and public trust.

Global Financial Stability Report, IMF – Key Policy Recommendations

Banking sector resilience:

Elevated vulnerabilities underscore the importance of maintaining the resilience of the banking sector by completing the implementation of the Basel framework and avoiding uncoordinated review of regulations that could under mine the effectiveness of international prudential standards. A review of financial regulatory and supervisory frameworks aimed at reducing undue complexity and ensuring consistency with financial institutions' systemic importance and risk profiles could be beneficial to growth.

Nonbank financial intermediaries

As NBFIs grow more leveraged and more connected to banks, it is crucial to close remaining data gaps, improve cross- jurisdictional data-sharing, and enhance oversight. Although most banks are well capitalized and broadly resilient to standard stress tests, growing exposures to NBFIs require improvements in data reporting to ensure that supervisors have sufficient information to account for NBFIs' increasing leverage, interconnect edness, and liquidity risk.

Monitoring credit markets:

Stress tests and scenario analyses should be applied to banks and, where possible, to NBFIs to assess the impact of a potential rise in corporate credit distress. Recent high-profile credit failures have illustrated weaknesses from poor lending standards, insufficient due diligence, opaque financing structures, and the double-pledging of collateral, all of which require attention.

Key Highlights: Nepal Development Update - World Bank

- Nepal's economy faces structural constraints and persistent spatial inequalities. Growth has been moderate and uneven, private sector development remains constrained and migration continues to be a dominant livelihood strategy.
- The political landscape underwent a significant change recently. Youth-led anti-corruption protests in September 2025 escalated into widespread unrest, resulting in the resignation of the prime minister and the dissolution of the House of Representatives (HoR). The unrest caused economic losses estimated at around 1.3 percent of GDP.
- Heightened uncertainty following the unrest led to only a marginal increase in services sector growth and dampened new investment. However, robust growth in the hydroelectric sector partly offset these effects. Agricultural growth slowed, largely due to a contraction in main paddy production, affected by drought during transplantation in Madhesh—one of the country's largest paddy-producing provinces—and excessive rainfall during the October 2025 harvest.
- On the demand side, overall growth was constrained by weaker non-hydro private investment and subdued public investment, reflecting a challenging domestic environment. However, high-frequency indicators point to a pickup in consumption—partly driven by higher public sector wages and compensation—and in exports of goods and services, supported by a surge in the value of refined edible oils for re-export.
- Headline inflation remained well below the Nepal Rastra Bank (NRB)'s 5 percent ceiling. Falling food prices—including vegetables, spices, pulses, legumes, and cereal grains—drove this decline, reflecting favorable harvests, normal weather, and base effects from H1FY25.
- Remittance growth occurred despite a decline in international worker migration, reflecting a depreciation of the NPR, diversification to higher-wage destinations such as Europe and Japan, and greater use of formal and digital transfer channels.
- The fiscal balance also deteriorated marginally in H1FY26, shifting from a small surplus to a marginal deficit of 0.3 percent of GDP, reflecting lower revenue collection. Total revenue (including grants) fell from 9.4 to 9.2 percent of GDP, driven mainly by declines in income tax—reflecting lower interest income and capital gains—and non-tax revenue from public enterprise dividends.

Nepal Development Update - World Bank

Economic Outlook

The baseline scenario assumes a temporary disruption to global energy markets in calendar year 2026, including reduced crude oil production and higher oil and natural gas prices, driven by transportation bottlenecks through the Strait of Hormuz, the world's most critical maritime chokepoint for energy trade.

Real GDP growth is projected to moderate to 2.3 percent in FY26 amid the conflict in the Middle East and lingering effects of the September 2025 unrest. The slowdown is expected to be concentrated in services, as tourist arrivals decline during the March–May peak season, weighing on accommodation, food, and transport sectors.

Growth is expected to recover and average 4.4 percent in FY27–FY28, driven by reconstruction, continued hydropower expansion, alongside stronger consumption associated with the 2027 subnational elections.

Inflation is projected to rise in FY26 and FY27, reflecting higher import and transportation costs. Consumer price inflation is expected to increase from 4.1 percent in FY25 to 4.3 percent in FY26, before rising further to 5.1 percent in FY27.

Nepal's current account surplus (CAS) is projected to increase from 6.7 percent of GDP in FY25 to 8.5 percent in FY26, supported by strong remittances, driven by the depreciation of NPR and diversification to higher-paying destination countries.

The fiscal deficit is projected to widen in FY26, driven by lower revenues, while public debt is expected to remain contained, keeping the country at a low risk of debt distress.

The risks to the outlook are tilted to the downside. Key downside risks include a prolonged conflict in the Middle East, which could reduce tourist arrivals and remittance inflows, dampen consumption and services activity, and slow overall growth.

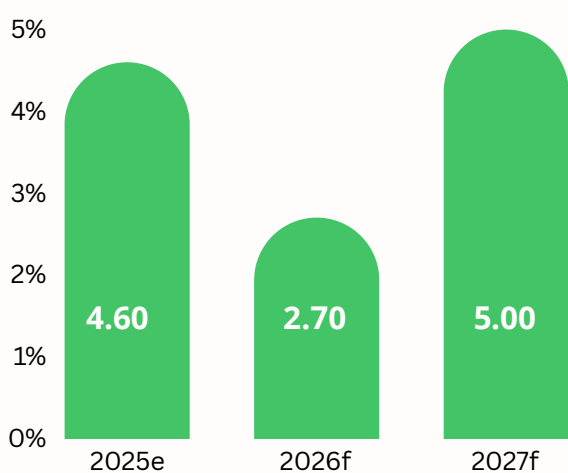


NATIONAL CONTEXT

Nepal in International Reports

NEPAL'S REAL GDP GROWTH PROJECTIONS

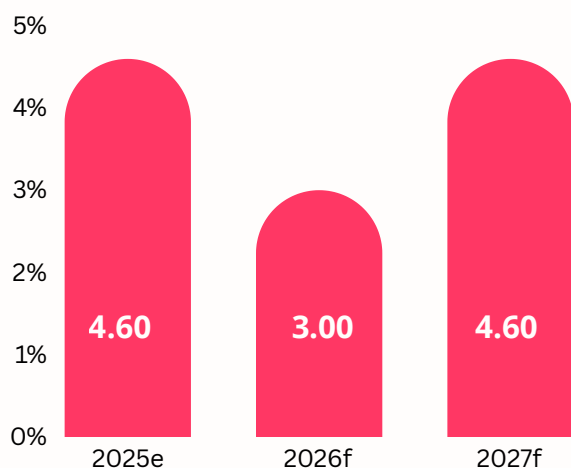
ASIAN DEVELOPMENT BANK



Source: Asian Development Outlook, April 2026

e - estimated
f - forecast

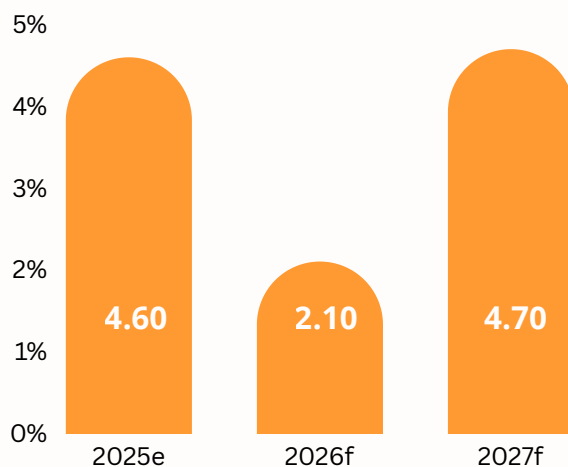
INTERNATIONAL MONETARY FUND



Source: World Economic Outlook, April 2026

e - estimated
f - forecast

WORLD BANK



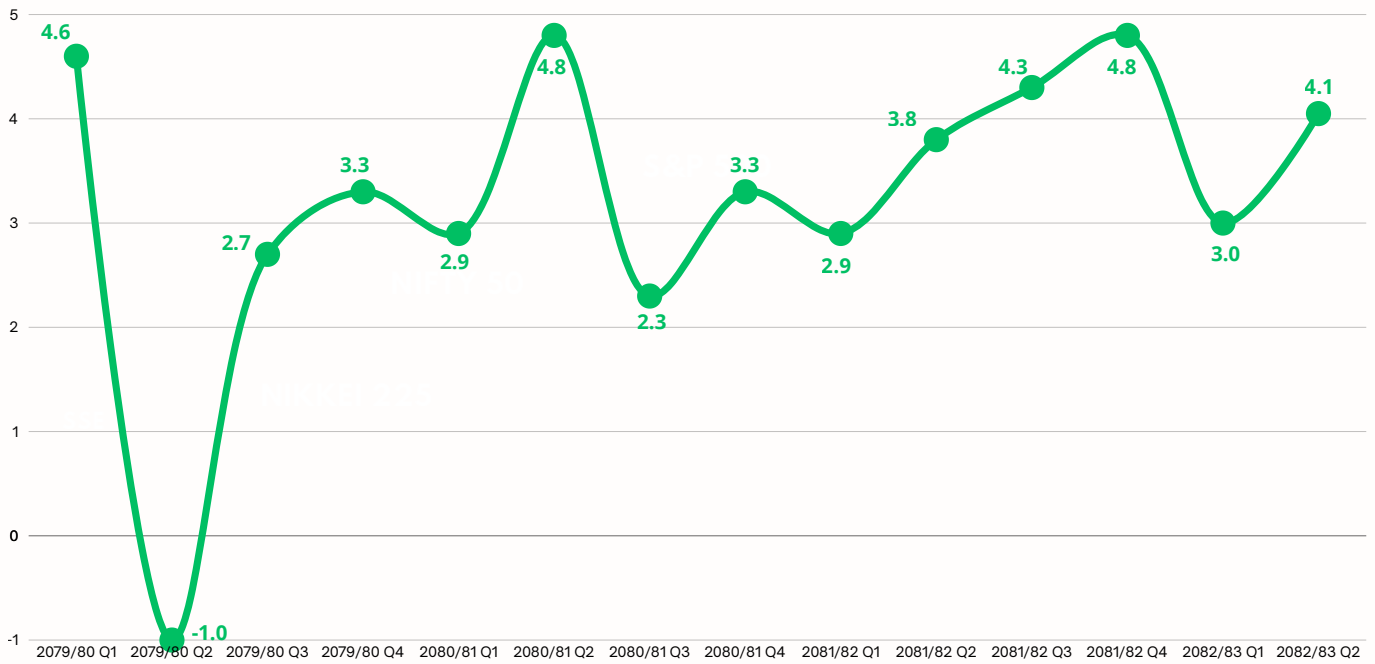
Source: World Economic Prospects, January 2026

e - estimated
f - forecast

Macroeconomic Indicators

Quarterly GDP Growth

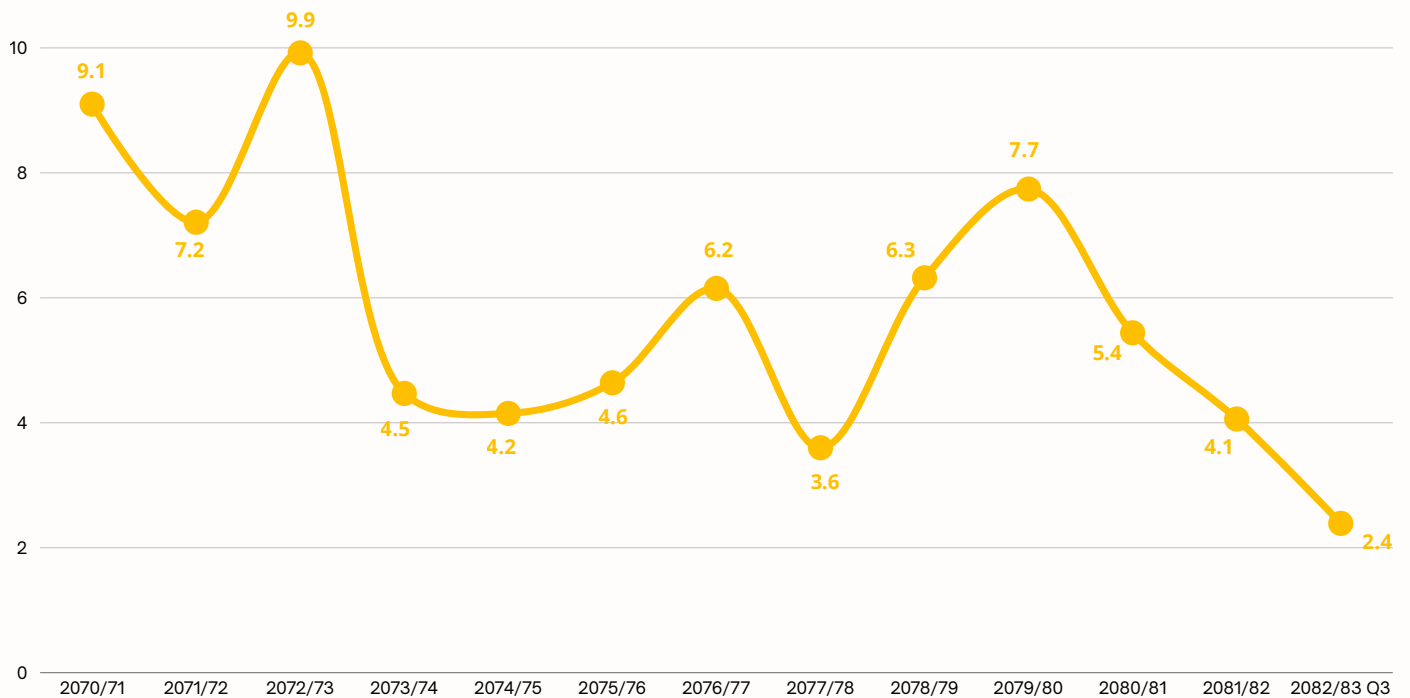
in Percentages



Source: National Statistics Office

Inflation (Yearly Average)

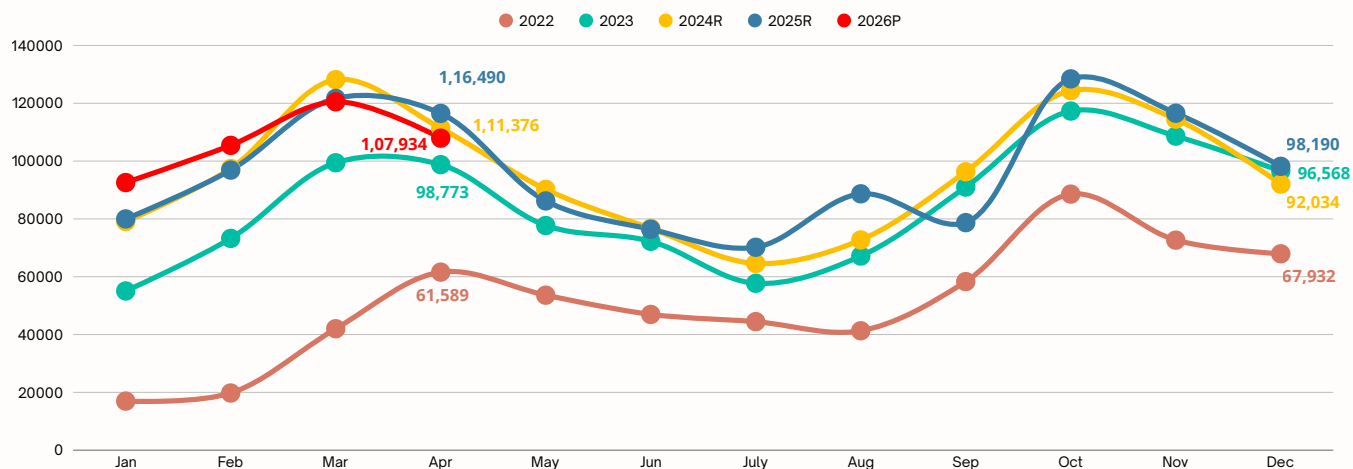
in Percentages



Source: NRB

(Yearly Average upto Q3 for 2082/83)

Number of Tourist Arrival



Source: Nepal Tourism Board

R: Revised, P: Provisional

Labour Approval In FY 2081/82 Q3

Details	Male	Female	Total
New Individual	20889	5768	26657
Recruiting agency	52463	6032	58495
Re Entry	89653	8873	98526
G-to-G	1247	241	1488
Legalization	74	26	100
Grand Total	164326	20940	185266

Source: Department of Foreign Employment

Skill Type	Male	Female	Total
High Skilled	170	40	210
Professional	617	134	751
Semi-skilled	22934	1980	24914
Skilled	101107	13632	114739
Unskilled	39498	5154	44652
Grand Total	164326	20940	185266

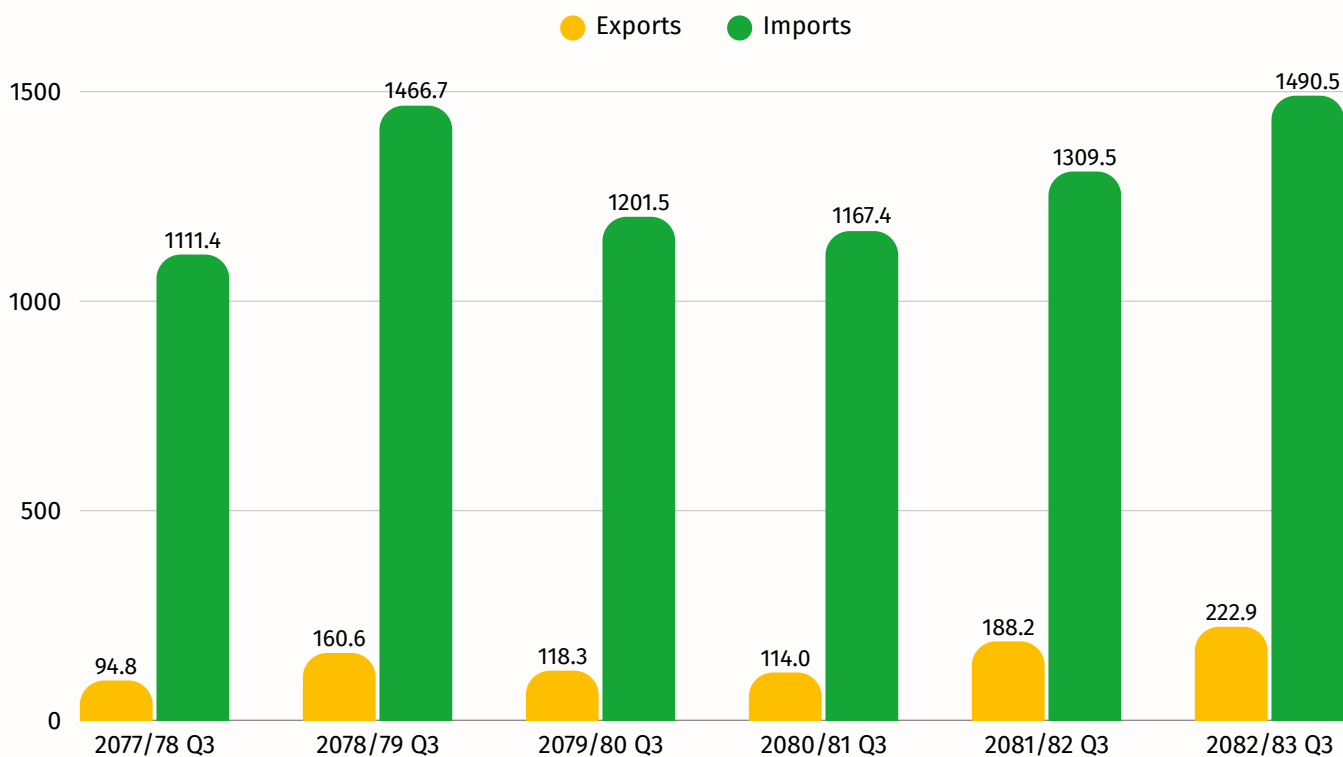
Source: Department of Foreign Employment



EXTERNAL SECTOR

Exports and Imports

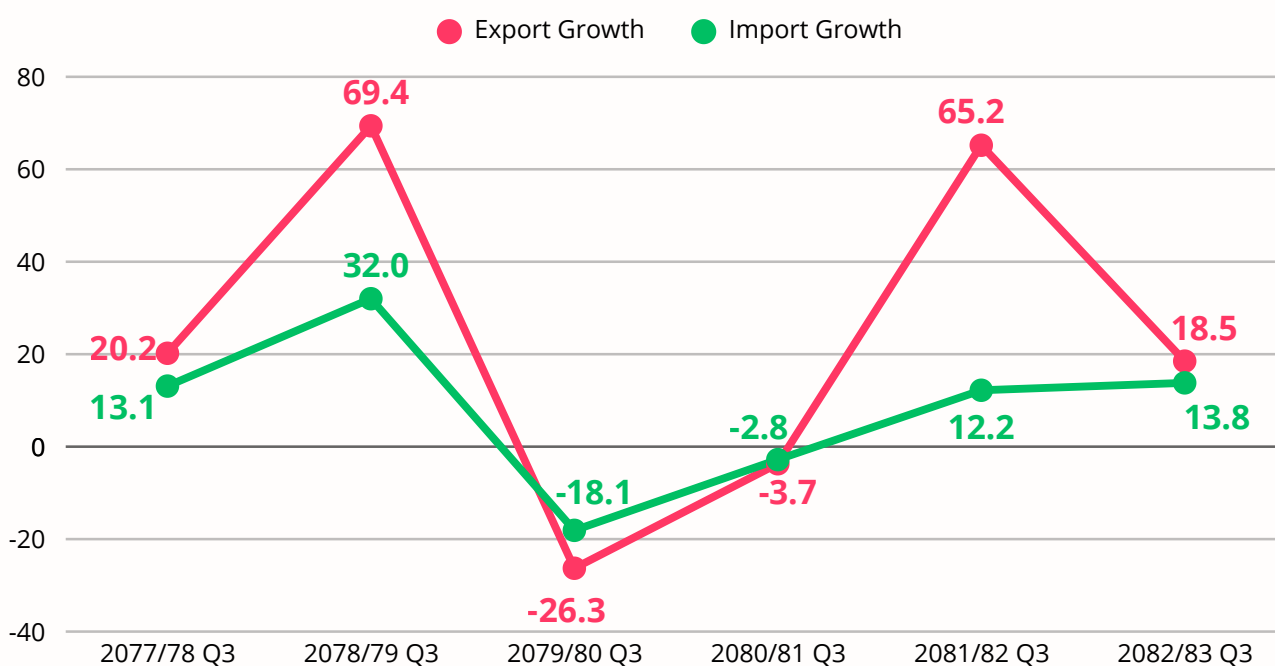
Amount in Billions (Rs.)



Source: Department of Customs

Export and Import Growth

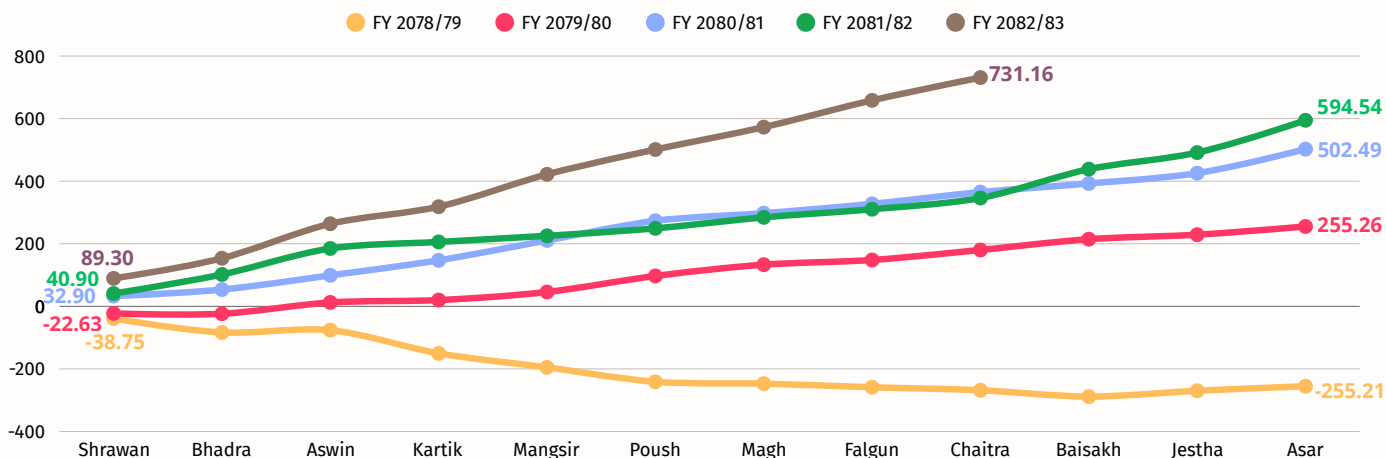
in Percentages



Source: Department of Customs

Balance of Payment

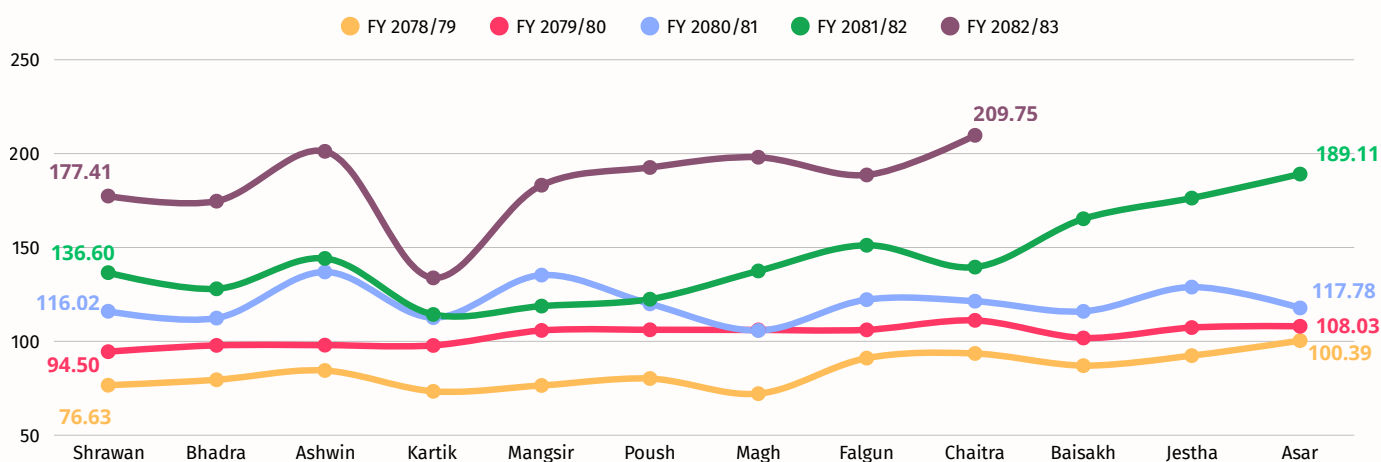
Amount in Billions (Rs.)



Source: NRB

Inward Remittance

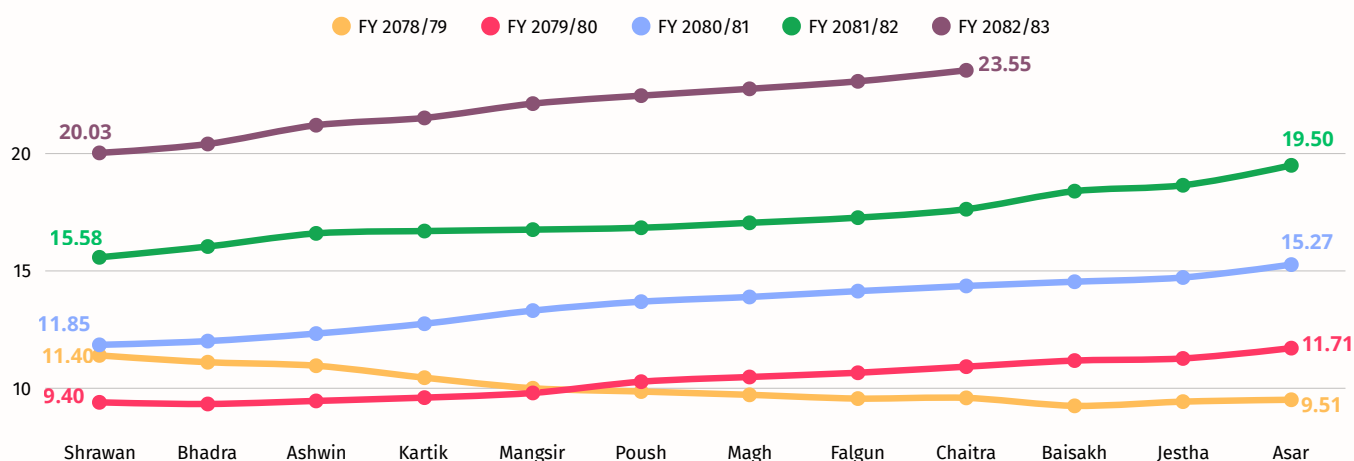
Amount in Billions (Rs.)




Source: NRB

Gross Foreign Exchange Reserves

Amount in Billions (USD)



Source: NRB



FINAN

**PUBLIC
FINANCE**

Government Revenue and Expenditure

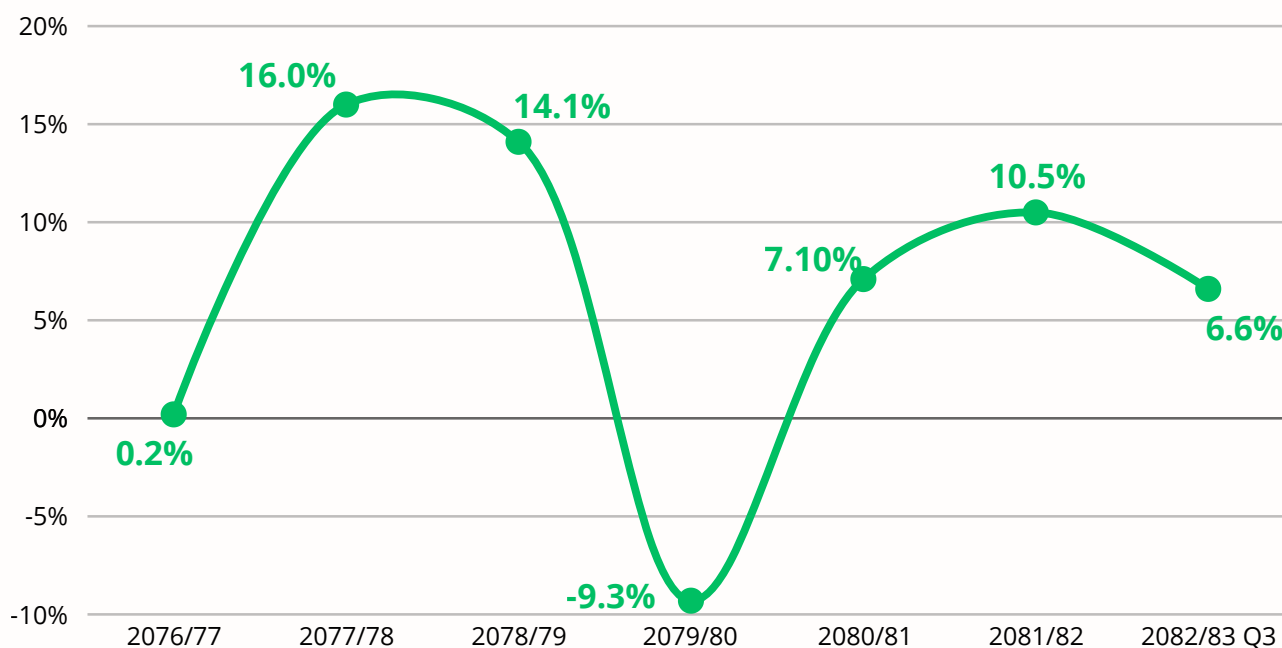
Amounts in Lakh (00000)

	2081			2082		
	Target/Budget	Chaitra 31	Percentage	Target/Budget	Chaitra 30	Percentage
REVENUE:						
1. Revenue	14,193,030	8,314,045	58.58%	14,800,000	8,862,836	59.88%
a) Tax Revenue	12,842,096	7,441,539	57.95%	13,255,839	7,987,719	60.26%
b) Non-Tax Revenue	1,350,934	872,506	64.59%	1,544,161	875,117	56.67%
2. Grants	523,265	143,772	27.48%	534,469	156,141	29.21%
3. Other Receipts	0	97,627	0%	0	52,794	0%
TOTAL RECEIPTS OF GON (1+2+3):	14,716,295	8,555,444	58.14%	15,334,469	9,071,771	59.16%
EXPENDITURE:						
1.Total Expenditure from Treasury (a+b+c)	18,603,030	9,985,212	53.68%	19,641,100	10,599,572	53.97%
a. Recurrent	11,406,645	6,780,903	59.45%	11,809,800	7,475,244	63.30%
b. Capital	3,523,540	1,029,008	29.20%	4,078,880	961,951	23.58%
c. Financing	3,672,845	2,175,301	59.23%	3,752,420	2,162,377	57.63%

Source: Financial Comptroller General Office

Revenue Growth

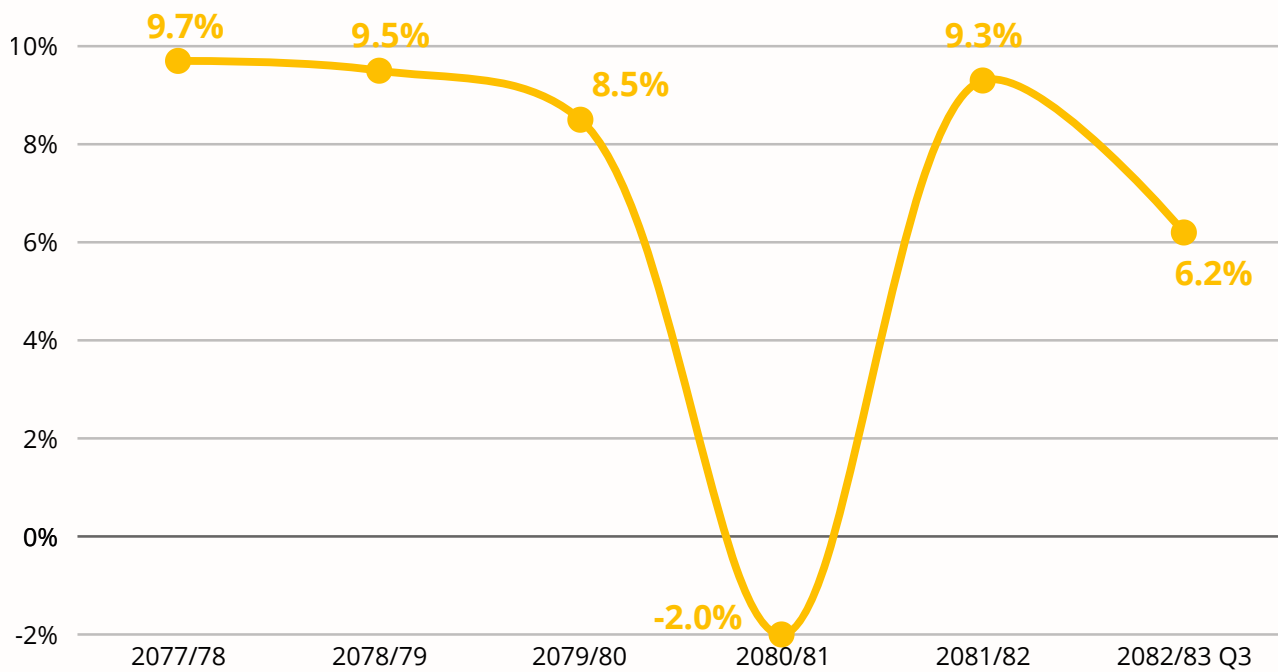
in Percentages



Source: NRB

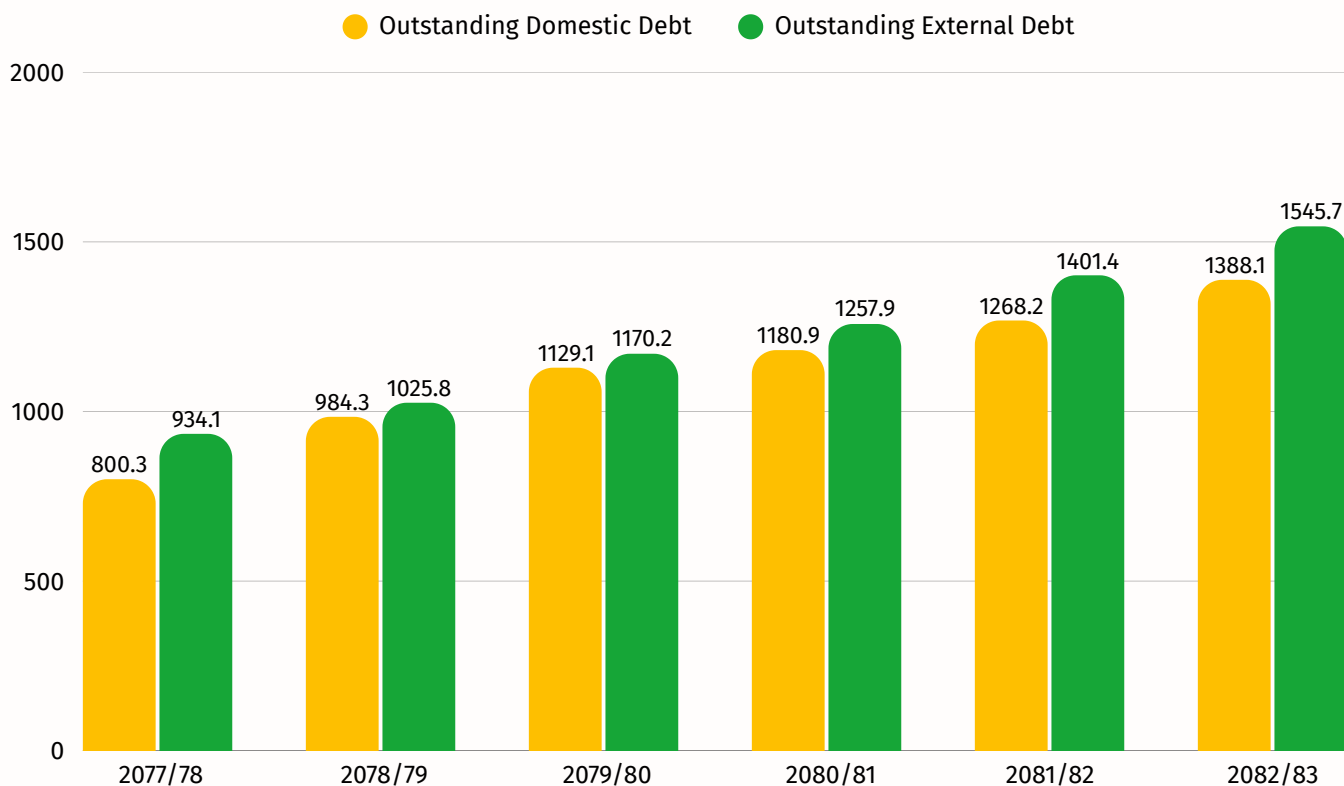
Expenditure Growth

in Percentages



Outstanding Domestic Debt and External Debt

Amount in Billions (Rs.)



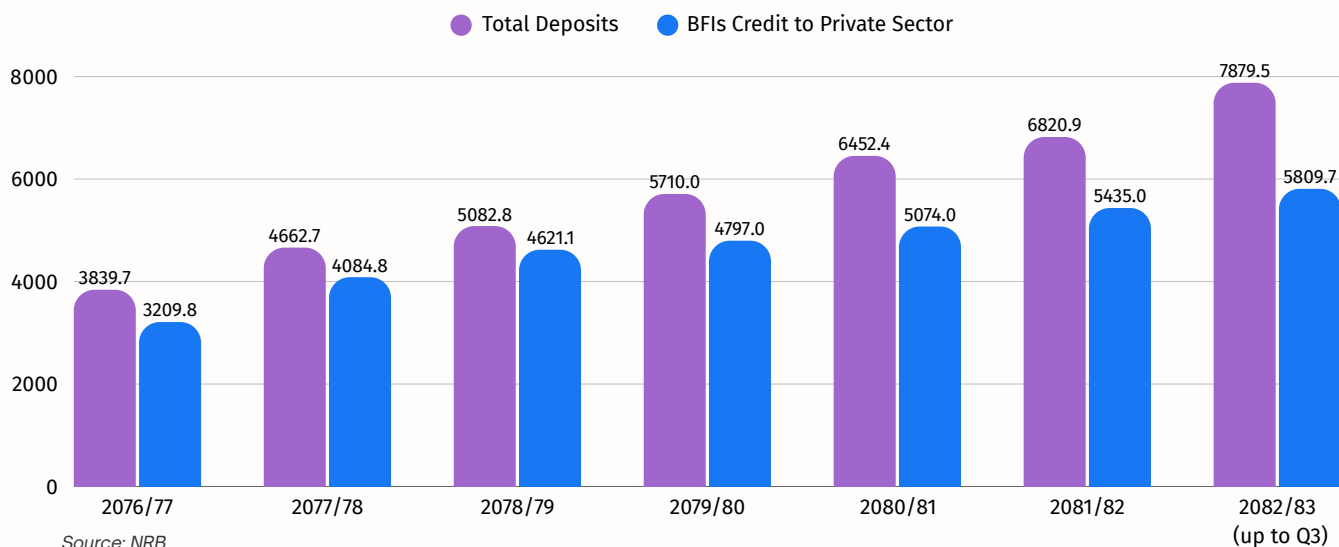
Upto Chaitra



BANKING SECTOR

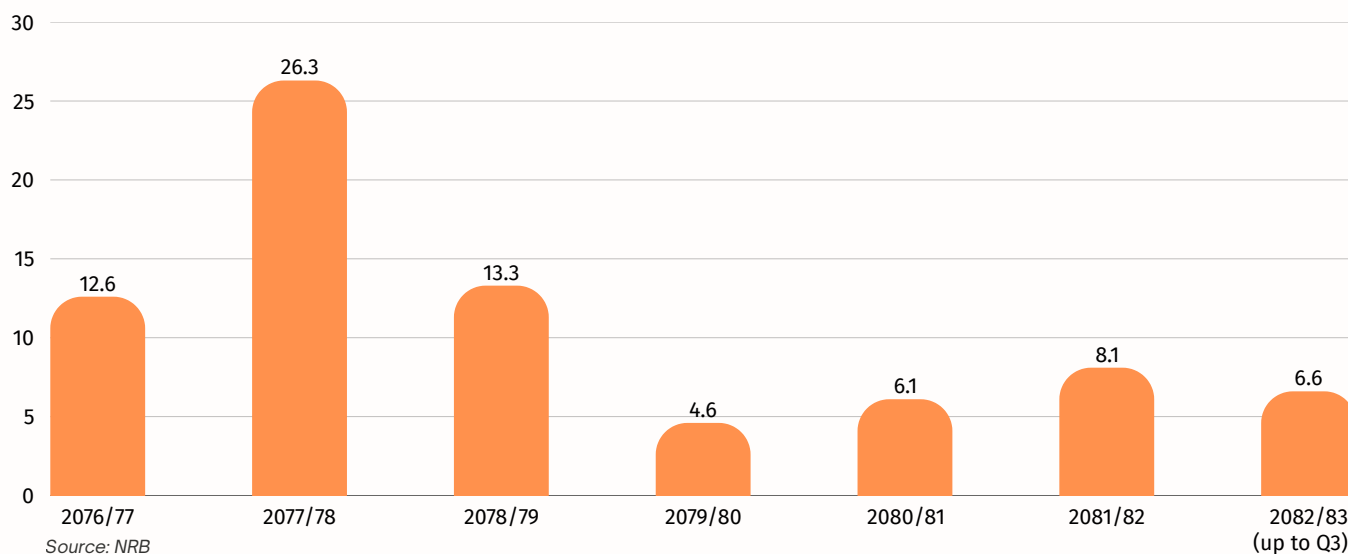
Total Deposit and Credit of BFIs

Amount in Billions (Rs.)

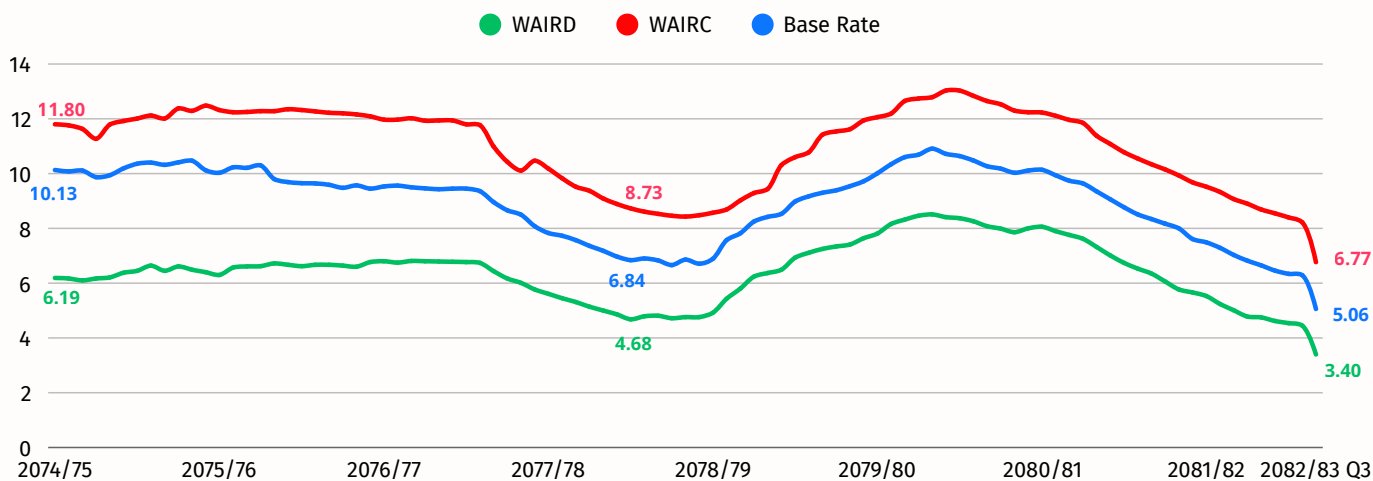


Claims on Private Sector (y-o-y)

in percentage



Base Rate and Weighted Interest Rates of Commercial Banks



Deposit & Lending of Commercial Banks

FY 2081/82

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

FY 2082/83

	Amount in Billions (Rs.)			
	Shrawan 1, 2082	Chaitra 30, 2082	Growth	Growth (%)
Deposit	6531	7128	597	9.14%
Lending	4975	5251	276	5.55%

Source: Nepal Bankers' Association

Sector-wise Lending of Commercial Banks

	Amounts in Billion (Rs.)		CHANGES SINCE	(%)CHANGES SINCE
	Chaitra 2081	Chaitra 2082	Chaitra 2081	Chaitra 2081
Agricultural and Forest Related	322.13	308.25	-13.88	-4.31%
Fishery Related	14.96	13.87	-1.09	-7.27%
Mining Related	11.41	12.49	1.08	9.48%
Agriculture, Forestry & Beverage Production Related	907.66	949.12	41.46	4.57%
Construction	205.23	224.61	19.38	9.44%
Electricity, Gas and Water	414.66	480.82	66.16	15.96%
Metal Products, Machinery & Electronic Equipment & Assemblage	70.39	74.50	4.11	5.85%
Transport, Communication and Public Utilities	68.99	76.18	7.19	10.42%
Wholesaler & Retailer	962.61	963.22	0.60	0.06%
Finance, Insurance and Real Estate	361.70	391.78	30.08	8.32%
Tourism Services	216.93	230.99	14.06	6.48%
Other Services	198.55	207.10	8.55	4.30%
Consumption Loans	910.22	1083.58	173.36	19.05%
Local Government	1.19	1.19	0.00	0.00%
Others	246.62	235.48	-11.13	-4.51%
TOTAL	4913.24	5253.19	339.95	6.92%

Source: NRB



Product-wise Lending of Commercial Banks

	Amounts in Billion (Rs.)		CHANGES SINCE	(%)CHANGES SINCE
	Chaitra 2081	Chaitra 2082	Chaitra 2081	Chaitra 2081
Term Loan	1781.64	1880.30	98.65	5.54%
Overdraft	84.48	89.15	4.67	5.53%
Cash Credit Loan	615.40	604.44	-10.96	-1.78%
Trust Receipt Loan/Import Loan	133.03	165.17	32.15	24.17%
Demand & Other Working Capital Loan	833.81	842.82	9.01	1.08%
Residential Personal Home	324.56	358.79	34.23	10.55%
Real Estate Loan	235.08	215.29	-19.79	-8.42%
Margin Nature Loan	101.61	136.72	35.11	34.55%
Hire Purchase Loan	112.95	124.96	12.02	10.64%
Deprived Sector Loan	258.50	257.47	-1.03	-0.40%
Bills Purchased	9.65	13.70	4.05	41.99%
Other Product	422.54	564.38	141.84	33.57%
TOTAL	4913.24	5253.19	339.95	6.92%

Source: NRB

Financial Access of Commercial Banks

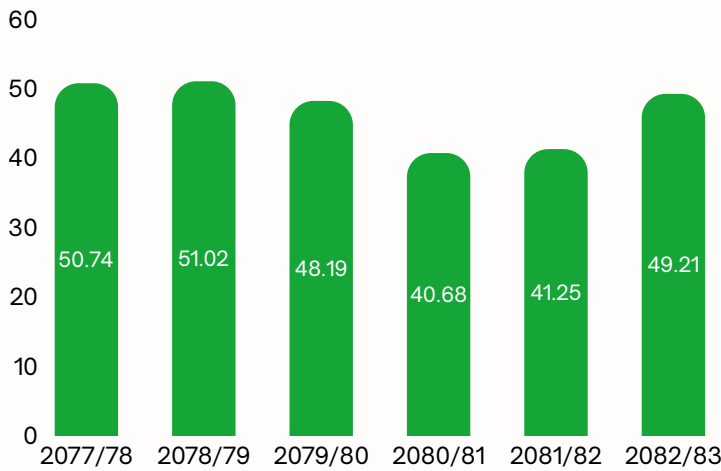
	CHAITRA 2081	CHAITRA 2082	CHANGES SINCE	(%)CHANGES SINCE
			CHAITRA 2081	CHAITRA 2081
NO. OF BRANCHES	5,083	5,003	-80	-1.57%
NO. OF DEPOSIT ACCOUNTS	50,374,794	53,517,842	3,143,048	6.24%
NO. OF LOAN ACCOUNTS	1,621,901	1,703,202	81,301	5.01%
NO. OF BRANCHLESS BANKING CENTERS	957	742	-215	-22.47%
NO. OF MOBILE BANKING CUSTOMERS	23,150,177	25,504,292	2,354,115	10.17%
NO. OF INTERNET BANKING CUSTOMERS	1,563,870	1,772,365	208,495	13.33%
NO. OF ATMS	4,877	4,798	-79	-1.62%
NO. OF DEBIT CARDS	12,313,034	12,401,821	88,787	0.72%
NO. OF CREDIT CARDS	310,189	323,986	13,797	4.45%
NO. OF PREPAID CARDS	232,650	274,683	42,033	18.07%

Source: NRB



Avg. Net Profit of Commercial Banks

Amount in Billions (Rs.)

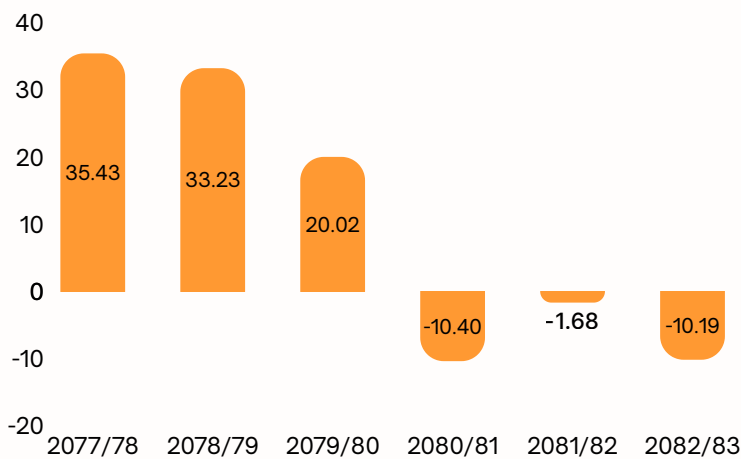


Source: Unaudited Q3 Reports of Commercial Banks

Net Profit
49.21 billions

Avg. Distributable Profit of Commercial Banks

Amount in Billions (Rs.)

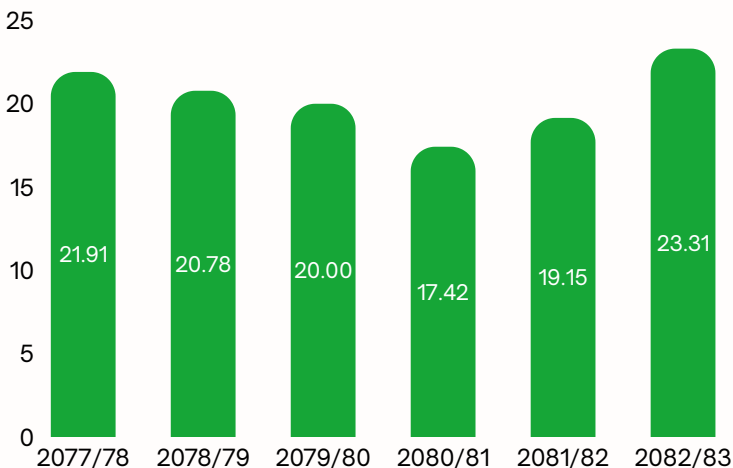


Source: Unaudited Q3 Reports of Commercial Banks

Distributable Profit
-10.19 billions

Avg. Income Tax Paid by Commercial Banks

Amount in Billions (Rs.)

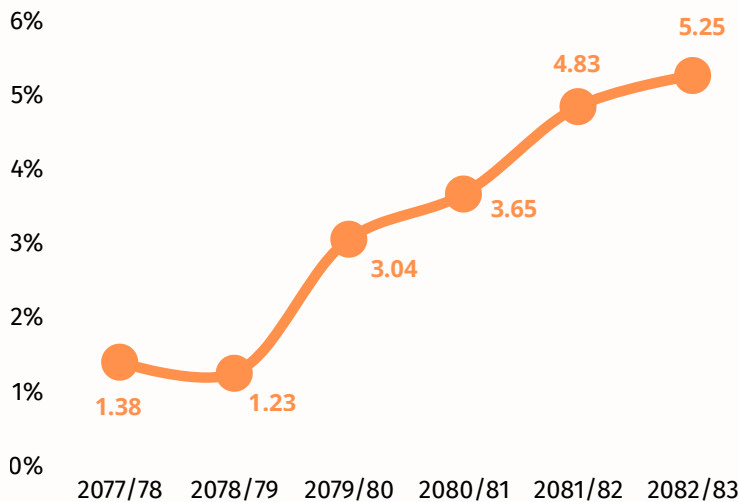


Source: Unaudited Q3 Reports of Commercial Banks

Income Tax
23.31 billions



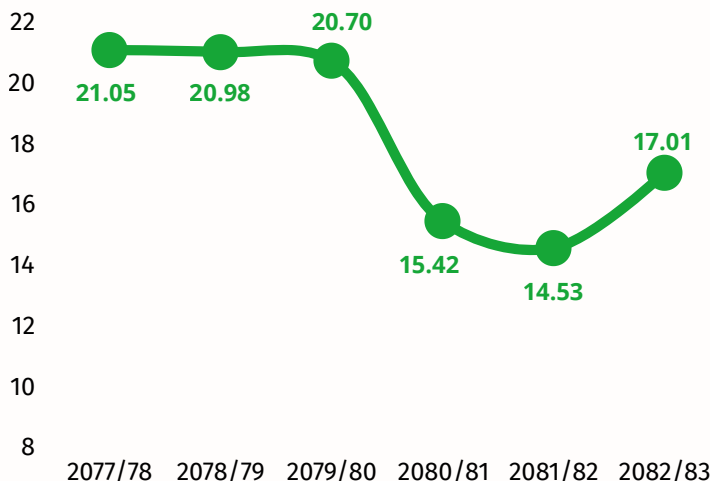
Avg. Non Performing Loans of Commercial Banks



Non Performing Loan
5.25%

Source: Unaudited Q3 Reports of Commercial Banks

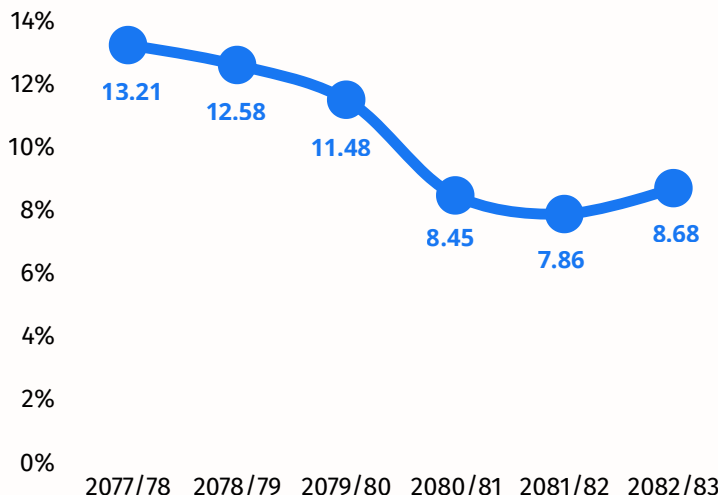
Avg. Earning Per Share of Commercial Banks



Earning Per Share
17.01

Source: Unaudited Q3 Reports of Commercial Banks

Avg ROE of Commercial Banks

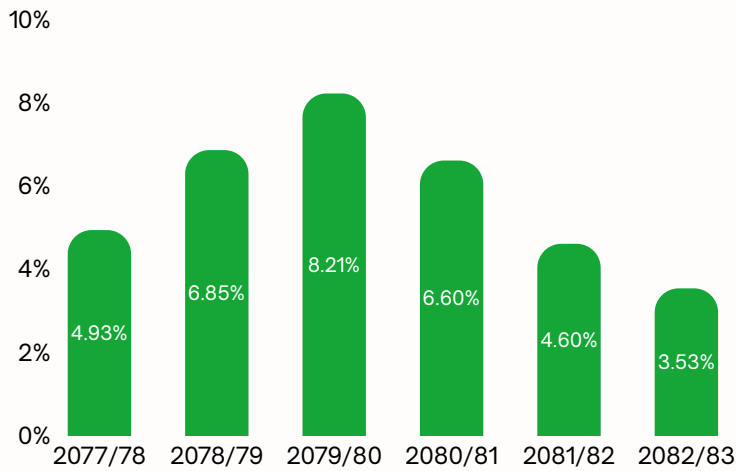


Return on Equity
8.68%

Source: Unaudited Q3 Reports of Commercial Banks



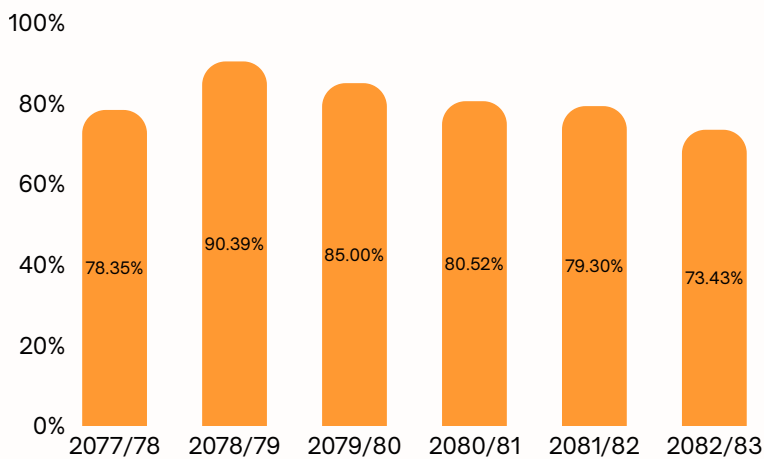
Avg Cost of Funds of Commercial Banks



Source: Unaudited Q3 Reports of Commercial Banks

Cost of Funds
3.53%

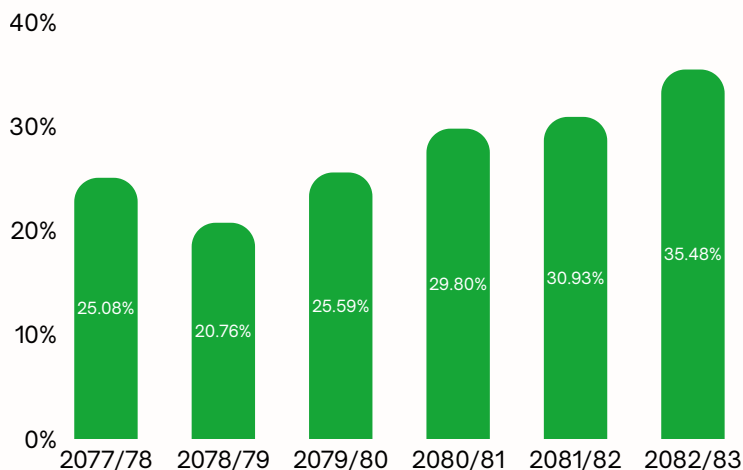
Avg CD Ratio of Commercial Banks



Source: Unaudited Q3 Reports of Commercial Banks

CD Ratio
73.43%

Avg Liquidity Ratio of Commercial Banks



Source: Unaudited Q3 Reports of Commercial Banks

Liquidity Ratio
35.48%

NBA ACTIVITIES

MAGH - CHAITRA 2082

NBA organized ESRM Workshop to Promote Sustainable Finance Practices

January 26, 2026 - Nepal Bankers' Association (NBA) in collaboration with British International Investment (BII) and Invest for Impact Nepal (IIN) organized an Environmental and Social Risk Management (ESRM) Workshop aimed at strengthening the capacity of the Nepalese banking sector in the area of sustainable finance.



The 2.5-days ESRM Workshop focused on integrating environmental and social considerations into credit appraisal and risk assessment processes, while also developing a comprehensive understanding of international E&S frameworks, including the IFC Performance Standards. Through interactive sessions and practical discussion, participants gained insights into identifying, assessing, mitigating and monitoring environmental and social risks associated with financing activities.

In addition to structured sessions, the workshop provided participants with an opportunity of having direct one to one interaction with the specialists. The experts engaged with participants to discuss bank-specific challenges, emerging E&S risks, regulatory expectations and practical solutions for effective ESRM implementation in the Nepalese banking context.



In the context, while climate risk is increasing, ESRM implementation has been a key pillar of sound risk management and long-term financial stability. Strengthening E&S risk management practices not only helps banks safeguard their portfolios and reputation but also enables them to support sustainable economic growth and responsible investment in Nepal.

In response to the increasing significance of sustainability-related risks in the financial sector, the NBA has focused on strengthening banks' understanding and implementation of Environmental and Social (E&S) Risk Management systems.

Workshop on Strengthening Cybersecurity Resilience in Nepal

January 27, 2026 - Nepal Bankers' Association (NBA) in collaboration with VISA organized a workshop titled "Strengthening Cybersecurity Resilience in Nepal" on January 27, 2026, in Kathmandu. The workshop was aimed at enhancing cybersecurity awareness and strengthening capacity within the financial sector in Nepal.

The inaugural session was graced by distinguished representatives from the Ministry of Communication and Information Technology; Cyber Security Directorate, Nepal Army; Nepal Rastra Bank; International Finance Corporation; among others.



The Workshop also featured technical presentations: “Emerging Trends in Cyber-Enabled Frauds and Scams: Nepalese Context” from the Cyber Bureau, Nepal Police; and “Shaping a Secure Digital Future” from VISA.

Further, a panel session on “Building a Coordinated National Cybersecurity Ecosystem: Roles, Responsibilities and Way Forward” facilitated in-depth discussion on inter-agency coordination and future strategies.

The initiative undertaken by NBA served as a valuable platform for knowledge sharing, collaboration, and strengthening Nepal’s collective cybersecurity resilience in the rapidly evolving digital financial landscape.



NBA Organized Cybersecurity Awareness Program in All Seven Provinces

February 12 – March 30, 2026 – Nepal Bankers’ Association (NBA), in collaboration with VISA, successfully organized a series of cybersecurity awareness and capacity-building programs across all seven provinces, aiming to strengthen cybersecurity resilience within the banking sector.



The initiative was taken in response to the growing cybersecurity concerns in Nepal’s financial ecosystem. With the rapid expansion of digital banking services, the sector has witnessed a rise in cyber threats and financial fraud incidents, highlighting the urgent need for enhanced awareness and preparedness among banking professionals.

The provincial-level programs were designed with an objective of strengthening the knowledge and capacity of bank officials in identifying, preventing and responding to emergent cyber frauds. The sessions focused on emerging cybersecurity risks, fraud trends, regulatory provision and practical strategies to enhance digital security within financial institutions. The workshops provided a platform for knowledge sharing and interactive learning, enabling participants to gain practical insights into cybersecurity challenges. The sessions also emphasized the importance of strengthening internal controls, improving incident response mechanisms and promoting a culture of cyber hygiene within institutions.

The program was participated by more than 300 bank professionals including regional province heads, branch managers, and other bank officials.

Release of the “Assessing Climate Transition Maturity of Nepali Commercial Banks 2025” Report

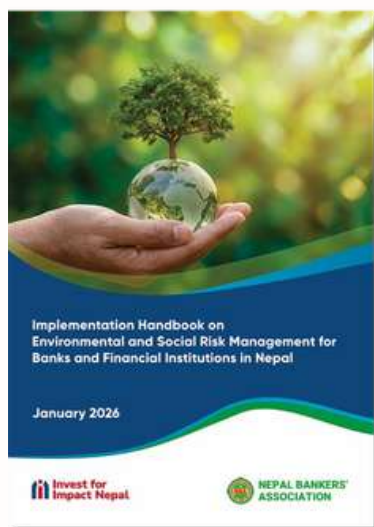
February 16, 2026 - Nepal Bankers’ Association (NBA) is proud to announce the publication of our landmark report, “Assessing Climate Transition Maturity of Nepali Commercial Banks 2025”. The study represents a significant step forward in our collective journey toward sustainable finance and a resilient financial system. The study serves as an essential roadmap for Commercial Banks as they work to integrate climate-related considerations into their operations and support Nepal’s transition to a low-carbon future.



Utilizing the Task Force on Climate-related Financial Disclosures (TCFD) Framework, the study assessed all 20 Commercial Banks across four critical pillars: Governance, Strategy, Risk Management and Metrics & Targets. The findings reveal that while the majority of banks are currently in the “Discovery Phase”, most institutions have expressed the ambition to reach “Developing” or “Advanced” maturity levels within the next two to three years. The report has also provided some strategic set of recommendations for regulators, industry bodies and development finance institutions to bridge current climate transition gaps.

NBA Released ESRM Implementation Handbook

February 20, 2026 - Nepal Bankers’ Association (NBA) has released the “Implementation Handbook on Environmental and Social Risk Management (ESRM) for Banks and Financial Institutions in Nepal,” marking an important milestone in the advancement of sustainable finance and responsible banking practices in nepalese banking sector.



The handbook helps to bridge the gap between the Nepal Rastra Bank’s Environmental and Social Risk Management Guideline (2022) and day-to-day banking operations. It provides practical and user-friendly guidance to strengthen transaction-level environmental and social risk screening, assessment, management and monitoring. It also supports banks in managing environmental and social risks within their own operations and promotes the development of key supporting frameworks.

While remaining fully aligned with NRB’s regulatory requirements, the handbook also draws upon internationally recognized frameworks such as the IFC Performance Standards, OECD Guidelines, and the Equator Principles, thereby supporting banks in meeting both national and international expectations.

Masterclass on Sustainable Finance

February 25, 2026 - Nepal Bankers’ Association (NBA), in partnership with Invest for Impact Nepal (IIN), organized a Masterclass titled “Navigating Sustainable Finance, Blended Finance & Impact Capital,” for the leaders of Nepal’s banking sector. The session brought together Chief Executive Officers and Deputy Chief Executive Officers of Commercial Banks and National-level Development Banks. The program aimed to move beyond theoretical concepts and unlock the practical mechanics of sustainable finance within the banking sector.



The session was facilitated by Mr. Michael Jongeneel, Chief Executive Officer of FMO (Dutch Entrepreneurial Development Bank). Mr. Jongeneel highlighted the accelerating global shift toward sustainability and underscored the growing importance of integrating ESG standards and SDG-aligned strategies into mainstream banking operations. He emphasized that financial institutions in emerging markets such as Nepal have a critical role to play in mobilizing capital for green and inclusive growth. He also highlighted the opportunities and challenges that climate change has brought to the banking sector.

The Masterclass covered key themes including: global trends in sustainable and impact finance, climate risk and mobilizing private capital through blended finance structures, partnership models with different international investors.

The event marked another important step in aligning Nepalese banks with international best practices and bridging the gap, particularly related to sustainable finance. The Masterclass was second in the series designed specifically for the leaders of Nepal's banking sector.



Strengthening Cybersecurity Resilience in the Financial Sector



March 26, 2026 - In response to the rapidly evolving cyber threat landscape and increasing risks faced by bank and financial institutions, a workshop titled "Strengthening Cybersecurity Resilience in the Financial Sector" was successfully organized by Nepal Bankers' Association in partnership with VISA.

The workshop featured technical presentations from representatives of the Cyber Bureau, FIU-Nepal, and internationally renowned Cybersecurity Expert Dr. Rakshit Tandon. Sessions focused on critical topics such as emerging cyber threats in the financial sector, case study sharing from the law enforcement agencies and understanding the regional perspective in combatting cyber threat.



Virtual Session on IFRS S1 and S2 Reporting Standards

March 26, 2026 - Nepal Bankers' Association, in partnership with Invest for Impact Nepal, successfully conducted a virtual session on "International Financial Reporting Standards (IFRS) S1 and S2". This was part of ongoing engagement of NBA to engage and enhance capacity of bank officials on Community of Practice on Sustainable Finance.

The session featured distinguished speakers from British International Investment, including Ms. Huma Yusuf, Director and Head of FSG Responsible Investing and Mr. Nagasimha Swamy, Manager – Environment & Social. The speakers shared global perspectives and practical insights on the implementation and relevance of IFRS standards for financial institutions.



**CoP Virtual Session on
IFRS S1 and S2 Reporting
Standards**

26 TH MARCH, 2026



Global Money Week 2026

March 17, 2026 - On the occasion of Global Money Week 2026, to promote financial literacy and raise awareness about responsible money management, Nepal Banker's Association - Bagmati Province Chapter organized a rally in Narayangarh and Bharatpur area to build public awareness, where officials from various banks and financial institutions participated.

The rally proceeded through the main market area, engaging the community with messages on financial education. The program encouraged individuals, especially the youths, to engage in smart money talks, develop sound financial habits and make informed financial decisions.



Meeting with Finance Minister

April 8, 2026 - The Executive Committee Members of Nepal Bankers' Association (NBA) paid a courtesy visit to the newly appointed Honorable Finance Minister Dr. Swarnim Wagle extending their congratulations and best wishes.

During the meeting, NBA officials shared that the banking sector remains fully committed to support the government in revitalizing the economy through increased investment and contributing towards country's overall economic development – as the banking sector stands ready to play a proactive role in strengthening the financial intermediation and fostering sustainable economic growth in Nepal.



Hon. Finance Minister Dr. Wagle acknowledged the banking sector as a vital pillar of the national economy and assured that its stability and growth remain a top priority for the government, and shared that the government shall address emerging challenges and hurdles faced by the financial sector.

NBA Officials Meet Newly Appointed Deputy Governor



10 April 2026 - The Executive Committee Members of Nepal Bankers' Association (NBA) held a courtesy visit to the newly appointed Deputy Governor of Nepal Rastra Bank, Mr. Kiran Pandit.

During the meeting, NBA officials extended their warm congratulations and best wishes to Mr. Pandit for a successful tenure ahead.

The Deputy Governor Mr. Pandit emphasized the importance of collective efforts in ensuring the stability of banks to build a resilient and sustainable financial sector.



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