QUARTERLY NEWSLETTER

September, 2026

FY 2082/83-Q4

MID APRIL 2026 TO MID JULY 2026
(BAISAKH 2083 TO ASHAR 2083)

PUBLISHED BY NEPAL BANKERS' ASSOCIATION

GLOBAL SCENARIO

Central Bank RATES

July 2025 to July 2026

Source: Respective Central Banks

EURO AREA
2.40% ↑ 0.25%

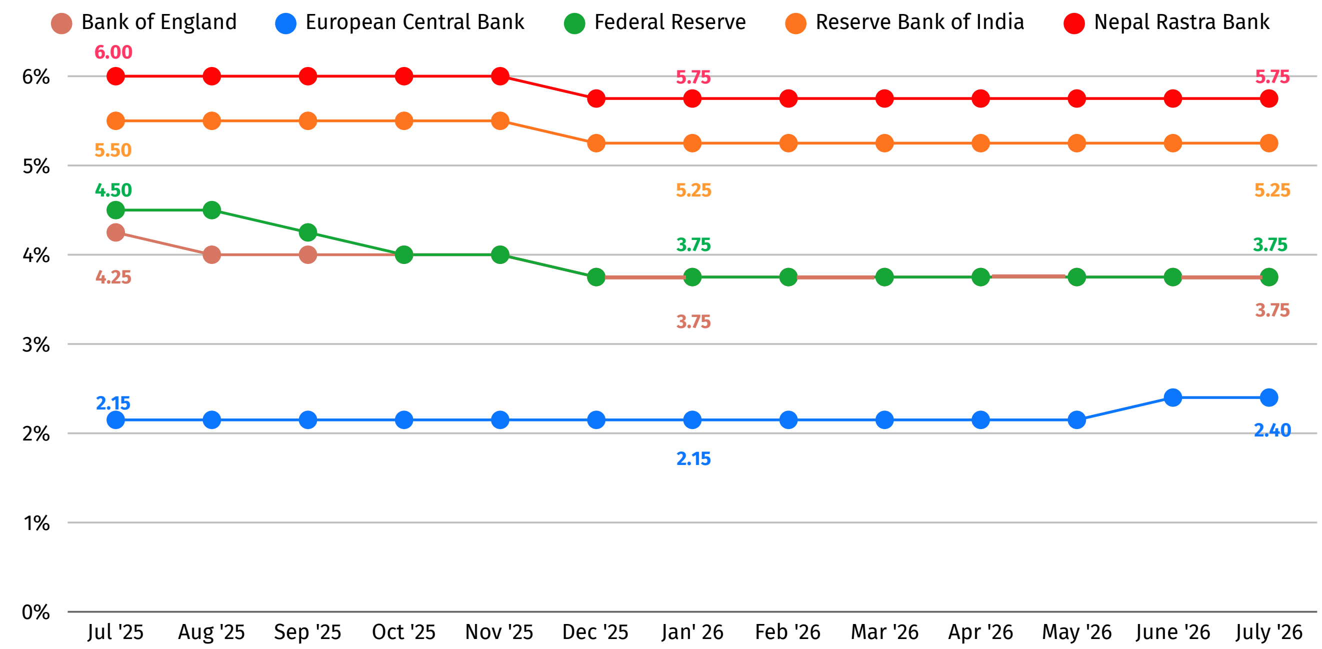
FEDERAL RESERVE
3.75% ↓ -0.75%

NEPAL RASTRA BANK
5.75% ↓ -0.25%

BANK OF ENGLAND
3.75% ↓ -0.50%

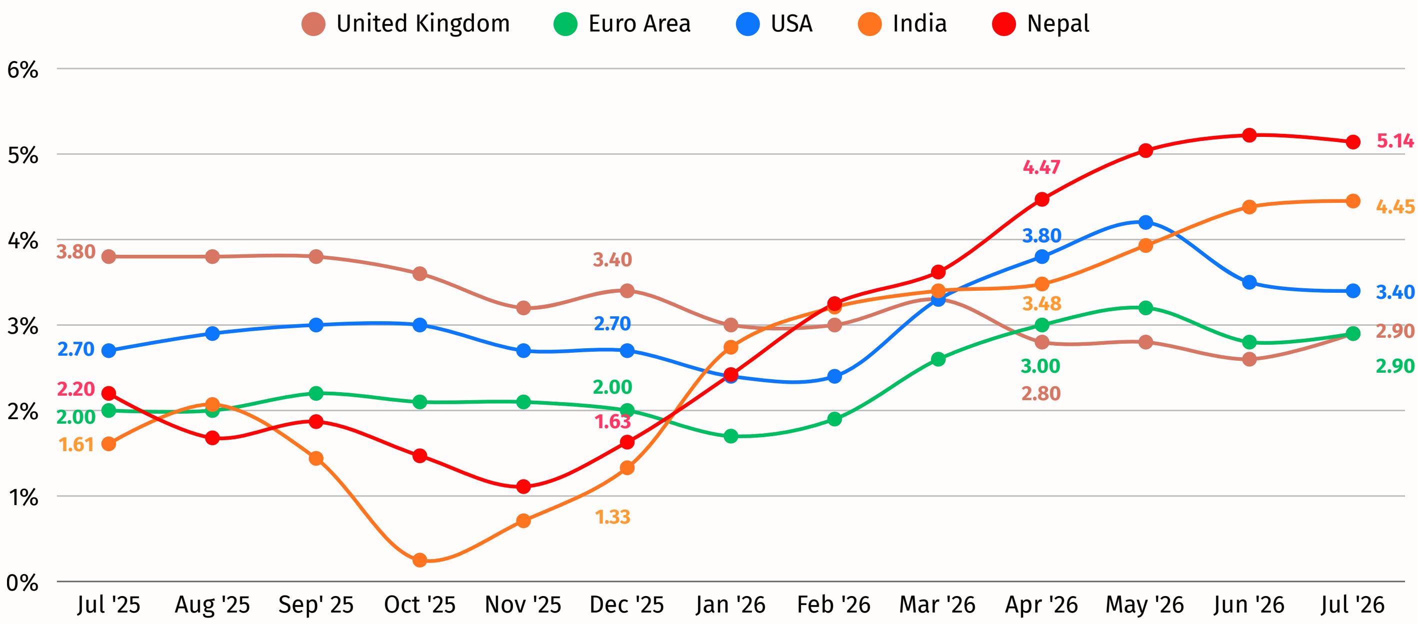
RESERVE BANK OF INDIA
5.25% ↓ -0.25%

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 %)

	2025	2026f	2027f
Developing Asia and the Pacific (DAP)	3.0	4.3	3.4
DAP (excluding China)	6.1	7.5	5.9
Caucasus and Central Asia	25.6	22.0	16.3
Developing East Asia	0.0	1.2	0.9
South Asia	2.9	5.7	4.8
Developing Southeast Asia	2.2	3.9	2.9
The Pacific	3.0	4.2	3.5

Source: Asian Development Outlook, July 2026

f - forecast

REAL GDP GROWTH PROJECTION

e - estimated
f - forecast
in Percentages

Global Economic Prospects, World Bank, June 2026

	2025e	2026f	2027f
World	2.9	2.5	2.8
Advanced economies	1.8	1.5	1.8
Emerging market and developing economies	4.4	3.6	4.2
East Asia and Pacific	5.0	4.2	4.4
Europe and Central Asia	2.5	2.1	2.3
Latin America and the Caribbean	2.3	2.2	2.5
Middle East, North Africa, Afganistan, and Pakistan	4.0	1.6	5.0
South Asia	7.0	6.3	6.9
Sub-Saharan Africa	4.1	4.0	4.4

Asian Development Outlook, ADB, July 2026

	2025	2026f	2027f
Developing Asia and the Pacific (DAP)	5.5	4.9	5.1
DAP excluding China	5.9	5.3	5.7
Caucasus and Central Asia	4.6	3.8	4.2
Developing East Asia	5.0	4.6	4.5
South Asia	6.9	6.0	6.7
Developing Southeast Asia	4.8	4.6	4.8
The Pacific	4.2	3.3	3.2

World Economic Outlook, IMF, July 2026

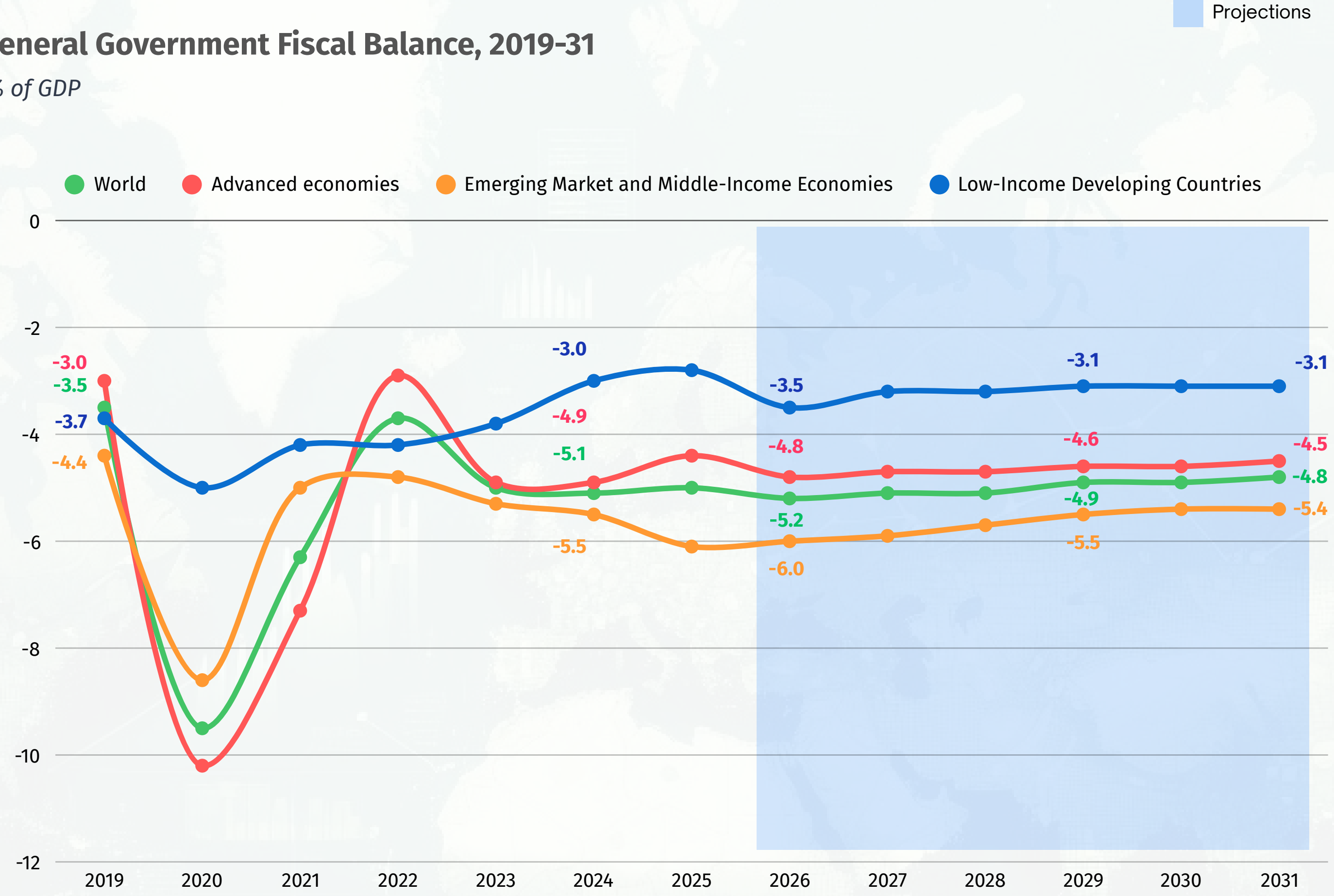
	2025	2026f	2027f
World Output	3.5	3.0	3.4
Advanced Economies	1.9	1.7	1.8
Emerging Market and Developing Economies	4.5	3.8	4.5
Emerging and Developing Asia	5.6	5.0	4.8
Emerging and Developing Europe	2.0	1.9	2.1
Latin America and the Caribbean	2.4	2.4	2.7
Middle East and Central Asia	3.7	0.7	6.5
Sub-Saharan Africa	4.5	4.3	4.5

IMF FISCAL MONITOR

April 2026

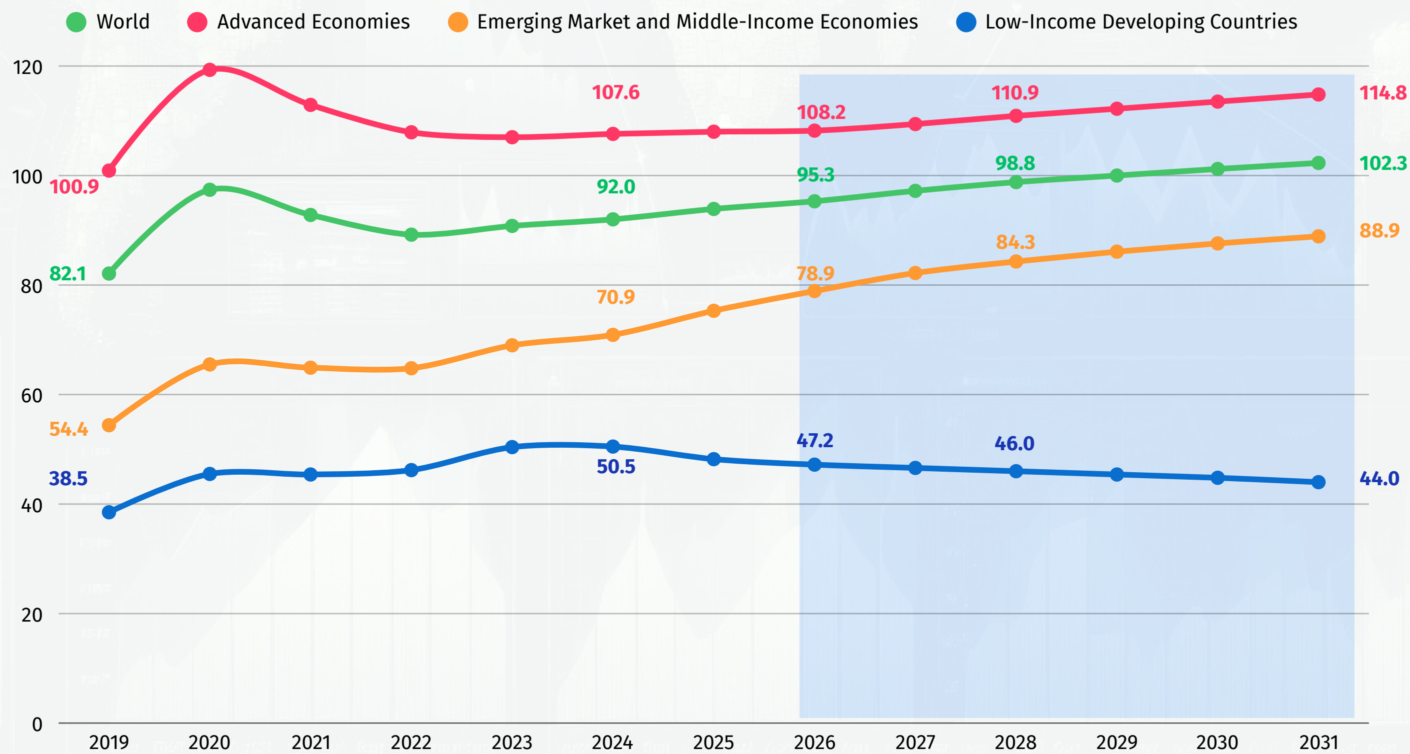
General Government Fiscal Balance, 2019-31

% of GDP



General Government Debt, 2019-31

% of GDP



Source: IMF Fiscal Monitor, April 2026

Asian Development Outlook 2026 - Highlights

- The growth forecast for developing Asia and the Pacific (DAP) is lowered to 4.9% in 2026—down from the 5.1% projected in April, and 0.6 percentage points below the 5.5% growth recorded in 2025. The Middle East conflict has led to prolonged disruption to energy and supply chains, raising production costs and dampening economic activity. The growth projection is maintained at 5.1% in 2027, reflecting recovering activity as these pressures ease

- In developing East Asia, the outlook is maintained at 4.6% in 2026 and 4.5% in 2027 on the strength of resilient exports and continued infrastructure investment in the People's Republic of China (PRC), despite weak private consumption and rising geopolitical risks.

- South Asia's growth forecasts are reduced to 6.0% in 2026 and 6.7% in 2027, weighed down by higher oil prices, rising freight costs, and uncertainty over remittances stemming from the conflict.

- Developing Southeast Asia's growth forecast is downgraded slightly to 4.6% in 2026, reflecting heightened uncertainty, weaker external demand, and rising commodity costs linked to the conflict. The 2027 projection is maintained at 4.8%.

- Growth forecasts for the Caucasus and Central and West Asia are lowered to 3.8% in 2026 and 4.2% in 2027 in response to trade disruption, rising trade costs, and prolonged geopolitical tensions.

- The Pacific's growth outlook is lowered to 3.3% in 2026 as higher fuel, food, and input costs stemming from the conflict dampen economic activity despite government mitigation measures. The 2027 projection is unchanged.

- Inflation in DAP is projected to rise to 4.3% in 2026, from 3.0% in 2025, driven by elevated oil and gas prices and spillover to other commodities that broadens price pressures across the region. It will ease to 3.4% in 2027.

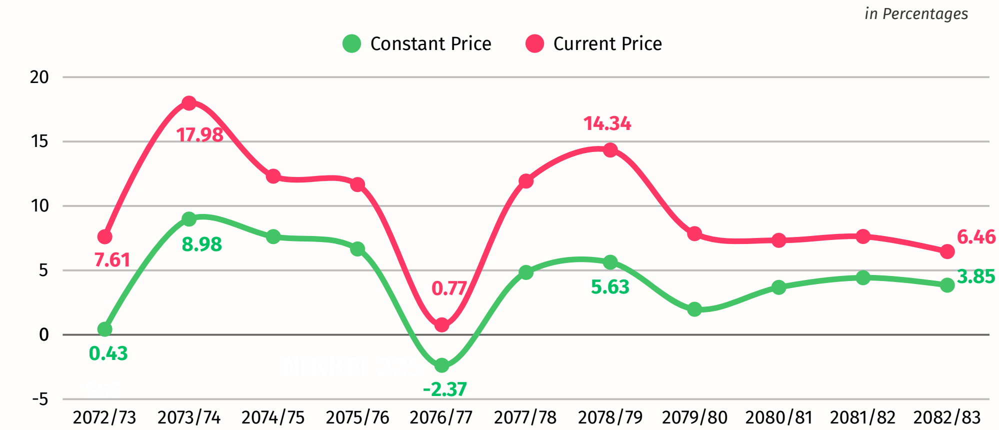
- Downside risks to the outlook are significant: renewed escalation of the Middle East conflict, prolonged energy market uncertainty, tighter global financial conditions, a sharp correction in global equity markets and re-pricing of AI-related stocks, rising trade policy uncertainty, food price pressures, and a deeper property downturn in the PRC.

Source: Asian Development Outlook, July 2026, ADB

NATIONAL CONTEXT

Macroecnomic Indicators

Yearly GDP Growth



Source: NRB

GDP

FY 2082/83

Constant Prices

2900 billion

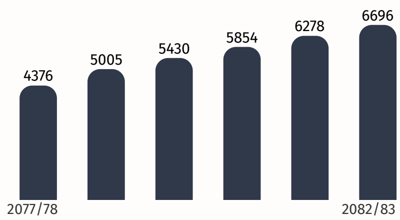
Current Prices

6600 billion

Gross National Income

6696 billion

6.66% from last year

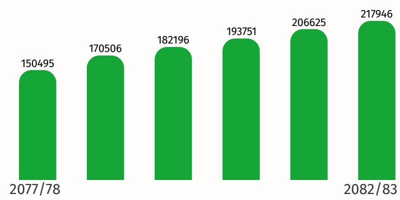


Source: NRB

GDP Per Capita

2,17,946 NRS

5.48% from last year

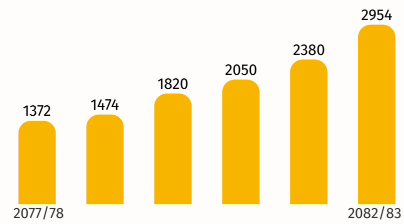


Source: NRB

Gross National Saving

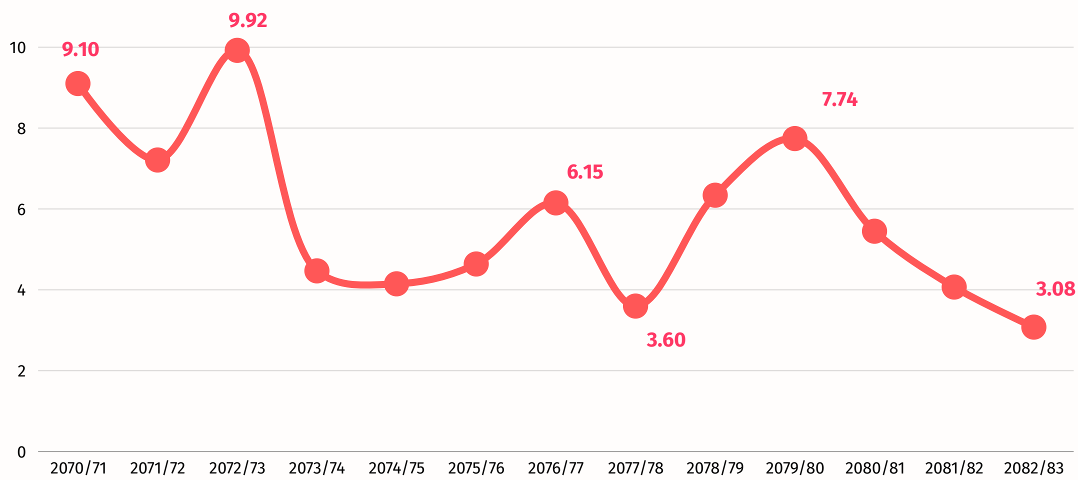
2954 billion

24.12% from last year



Source: NRB

Inflation *(Yearly Average)*



Source: NRB

Avg. Inflation

FY 2082/83

3.08%

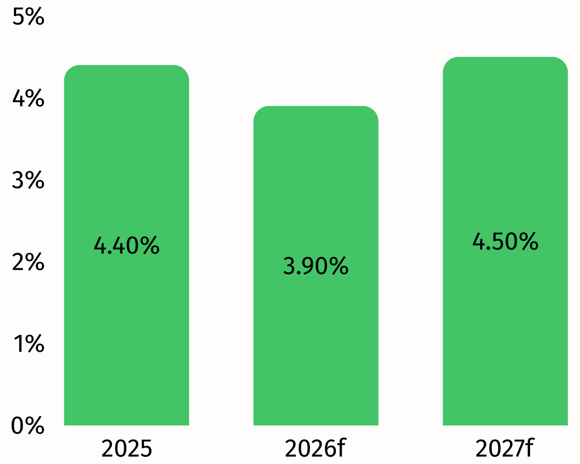
Point Inflation

as of 2083 Ashar

5.14%

Nepal in International Reports

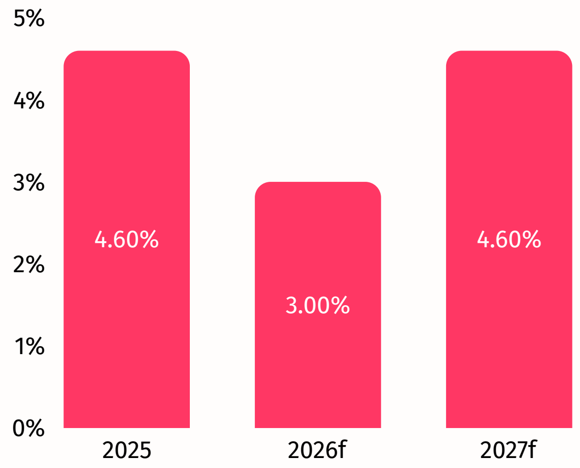
REAL GDP PROJECTION - ASIAN DEVELOPMENT BANK



Source: Asian Development Outlook, July 2026

e - estimated
f - forecast

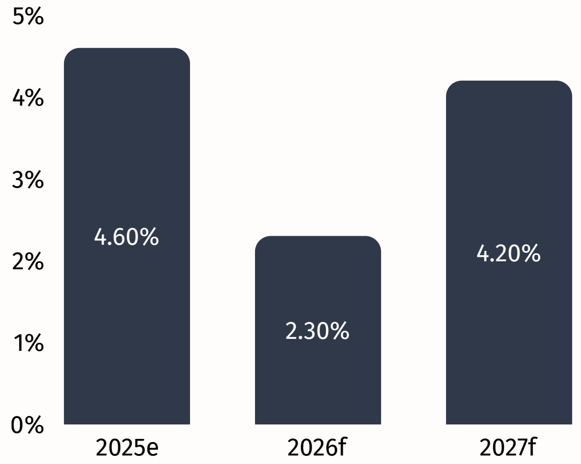
REAL GDP PROJECTION - INTERNATIONAL MONETARY FUND



Source: World Economic Outlook, July 2026

e - estimated
f - forecast

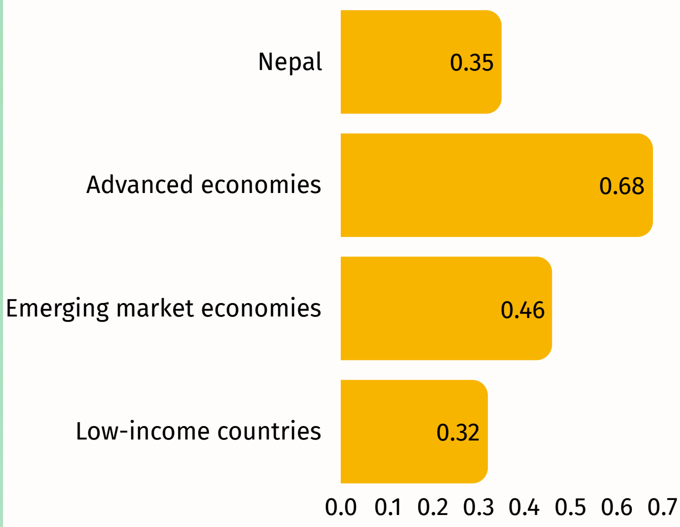
REAL GDP PROJECTION - WORLD BANK



Source: Global Economic Prospects, June 2026

e - estimated
f - forecast

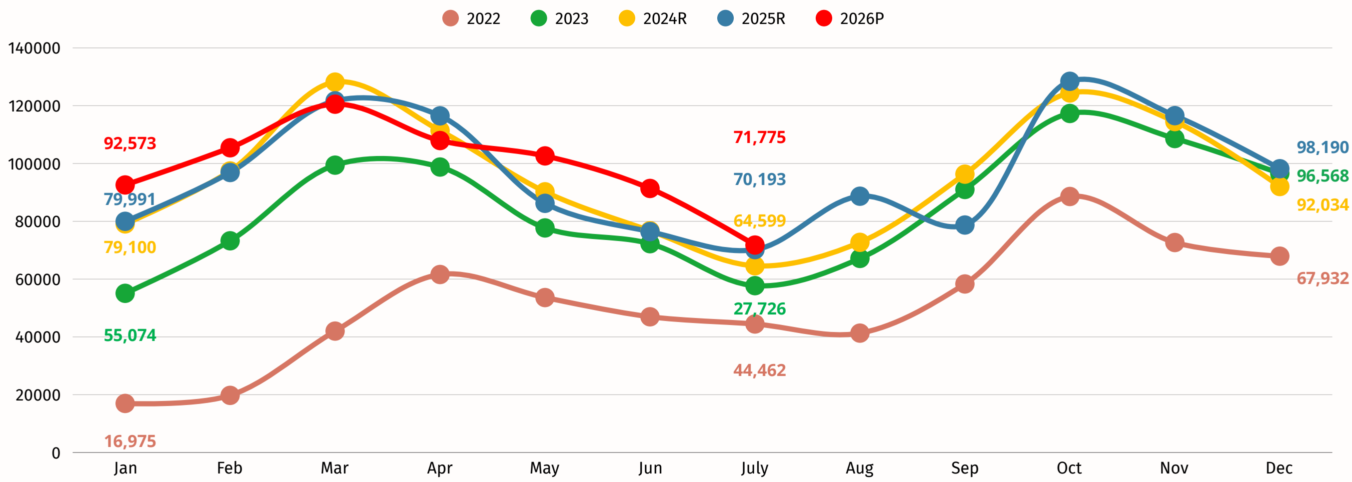
AI PREPAREDNESS INDEX - INTERNATIONAL MONETARY FUND



Source: International Monetary Fund

estimate from 2023

Number of Tourist Arrival



Source: Nepal Tourism Board

R: Revised, P: Preliminary

Labour Approval In FY 2082/83

Details	Male	Female	Total
New Individual	98841	29679	128520
Recruiting agency	241975	27015	268990
Re Entry	348885	36898	385783
G-to-G	6945	1252	8197
Legalization	450	247	697
Grand Total	**697096**	**95091**	**792187**

Source: Department of Foreign Employment

Skill Type	Male	Female	Total
High Skilled	801	295	1096
Professional	2956	614	3570
Semi-skilled	104814	9800	114614
Skilled	419775	62868	482643
Unskilled	168750	21514	190264
Grand Total	**697096**	**95091**	**792187**

Source: Department of Foreign Employment

PUBLIC FINANCE

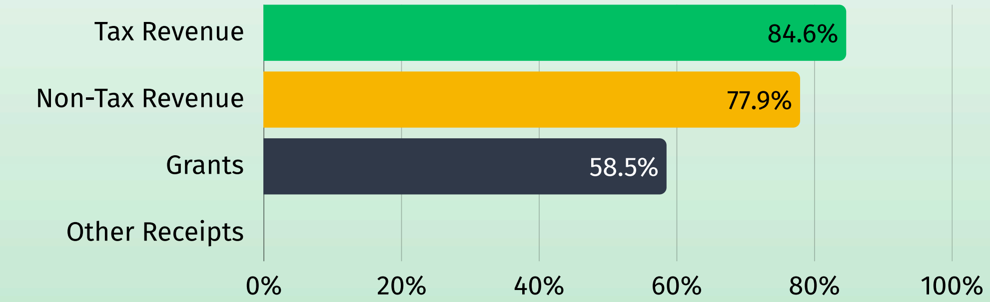
Government Revenue and Expenditure

Total Receipts

1280.65 billion

Source: Financial Comptroller General Office

% Achievement of the Target, 2082-83

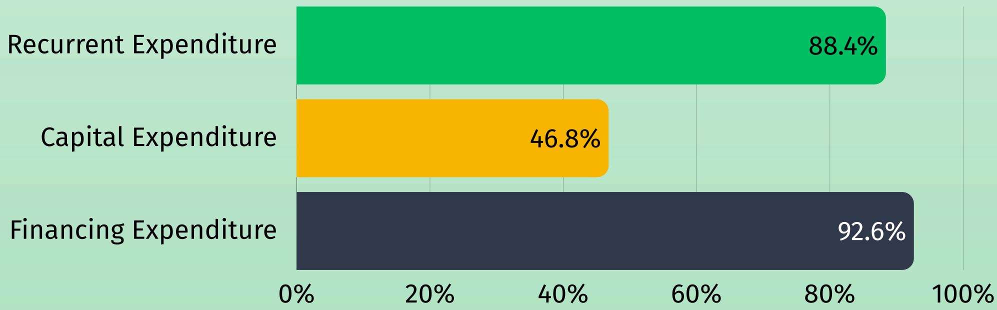


Total Expenditure

1582.17 billion

Source: Financial Comptroller General Office

% Achievement of The Target, 2082-83

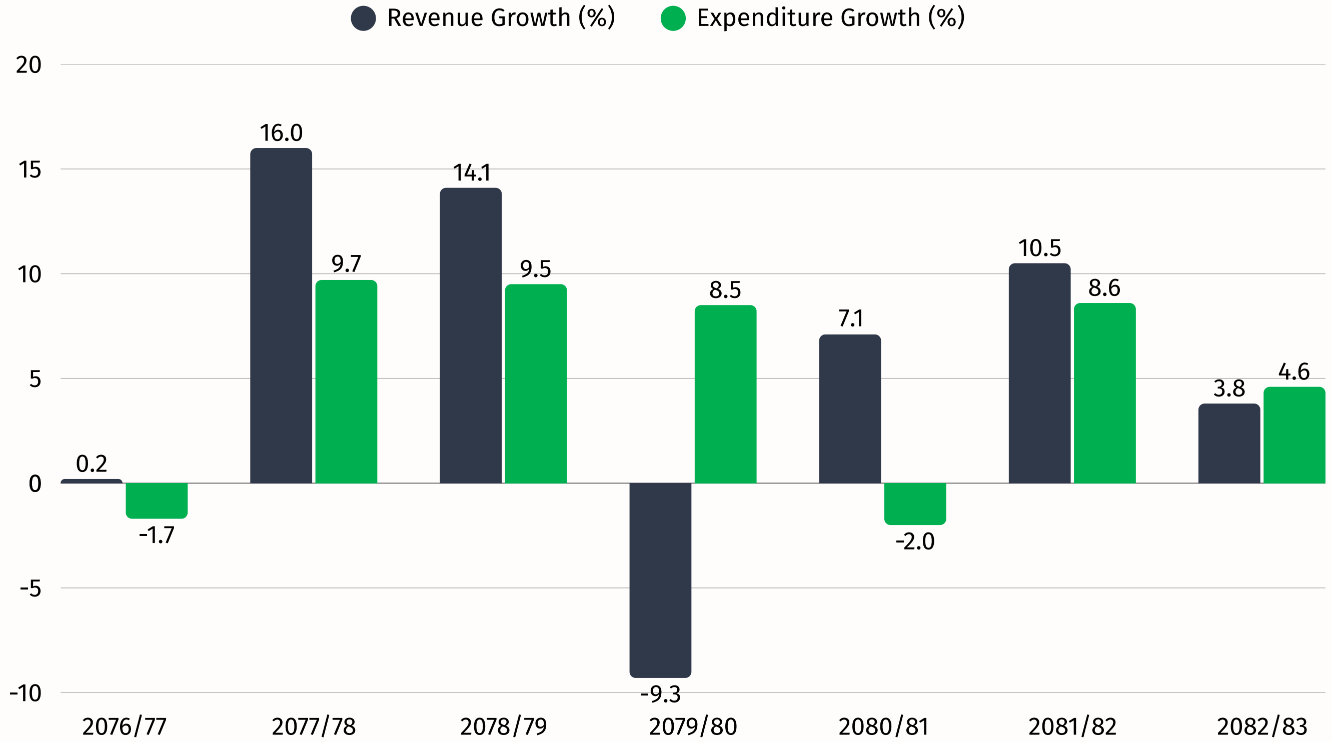


Amount in billion

	2082			2083		
	Target/Budget	Ashad 32	Percentage	Target/Budget	Ashad 32	Percentage
REVENUE:						
1. Revenue	1,419.30	1,178.82	83.06%	1,480.00	1,241.32	83.87%
a) Tax Revenue	1,284.21	1,049.88	81.75%	1,325.58	1,121.08	84.57%
b) Non-Tax Revenue	135.09	128.94	95.45%	154.42	120.24	77.87%
2. Grants	52.33	23.53	44.97%	53.45	31.26	58.50%
3. Other Receipts	-	17.37	0%	-	8.07	0%
TOTAL RECEIPTS OF GON (1+2+3):	1,458.61	1,219.72	82.88%	1,533.45	1,280.65	83.51%
EXPENDITURE :						
1.Total Expenditure from Treasury (a+b+c)	1,860.30	1,523.11	81.87%	1,964.11	1,582.17	80.55%
a. Recurrent	1,140.66	980.38	85.95%	1,180.98	1,044.00	88.40%
b. Capital	352.35	222.68	63.20%	407.89	190.84	46.79%
c. Financing	367.28	320.04	87.14%	375.24	347.33	92.56%

Source: Financial Comptroller General Office

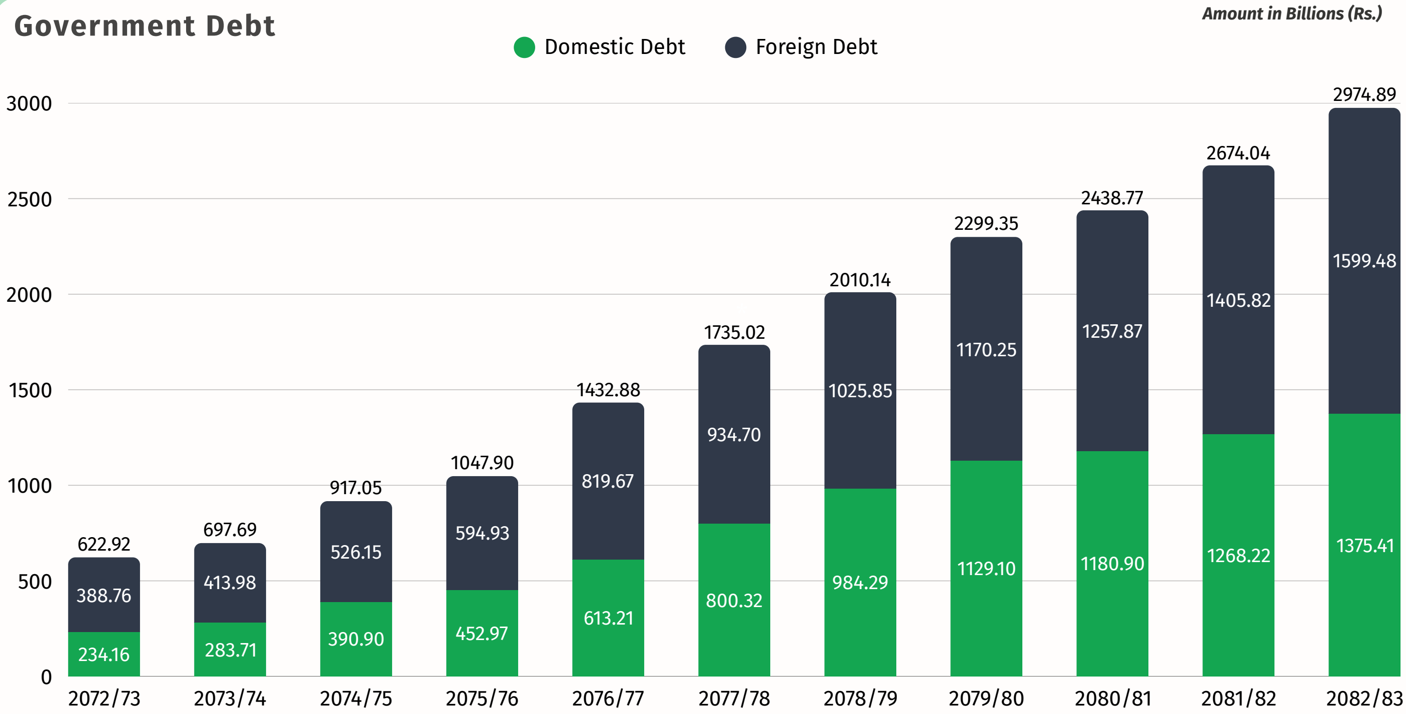
Government Revenue and Expenditure Growth



Source: NRB

Government Debt

Amount in Billions (Rs.)

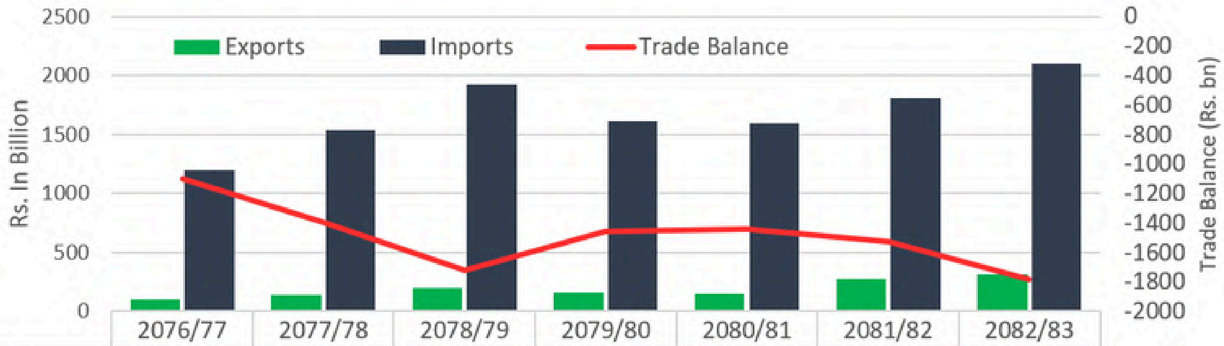


Source: NRB

EXTERNAL SECTOR

Exports, Imports and Trade Balance

Amount in Billions (Rs.)

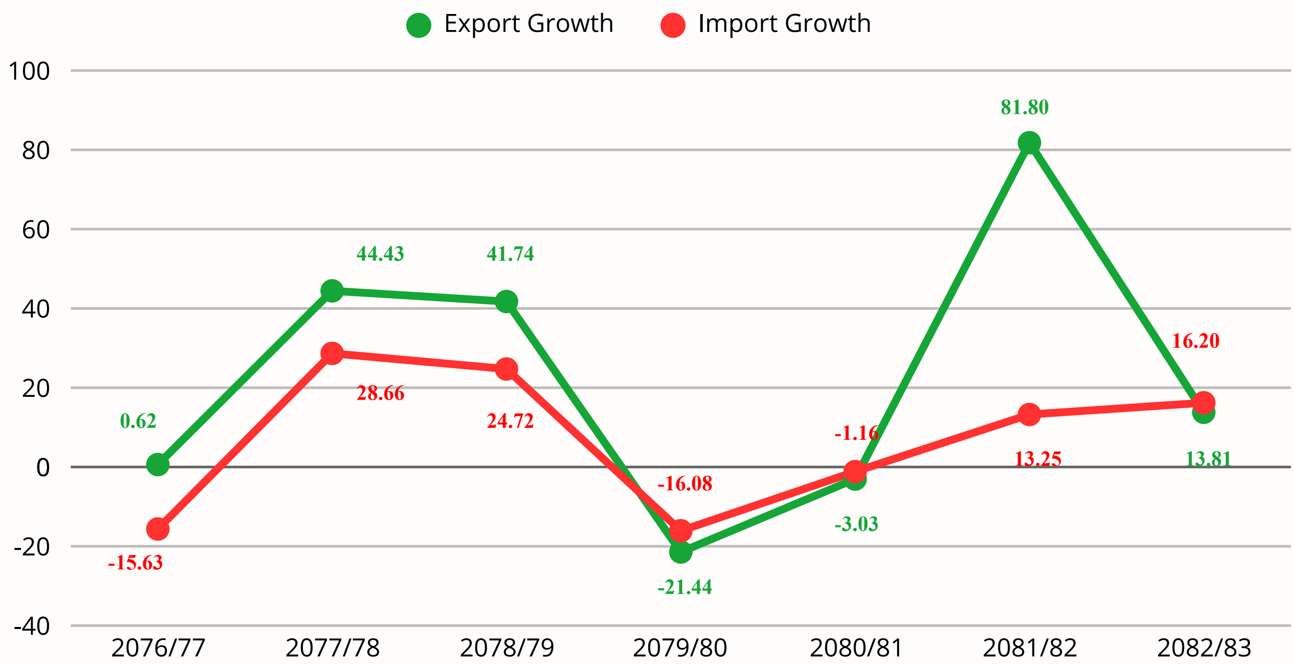


	2076/77	2077/78	2078/79	2079/80	2080/81	2081/82	2082/83
Exports	97.71	141.12	200.03	157.14	152.38	277.03	315.29
Imports	1196.8	1539.84	1920.45	1611.73	1592.99	1804.12	2096.38
Trade Balance	-1099.09	-1398.71	-1720.42	-1454.59	-1440.6	-1527.09	-1781.09

Source: Department of Customs

Export and Import Growth

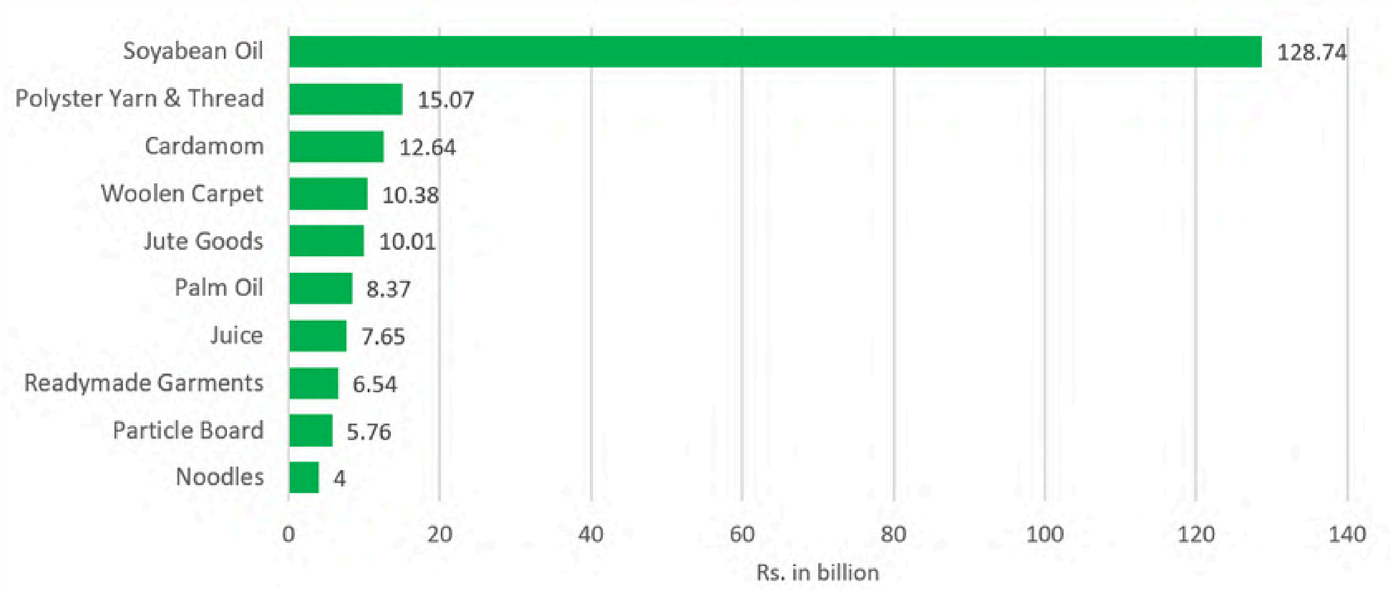
in Percentages



Source: Department of Customs

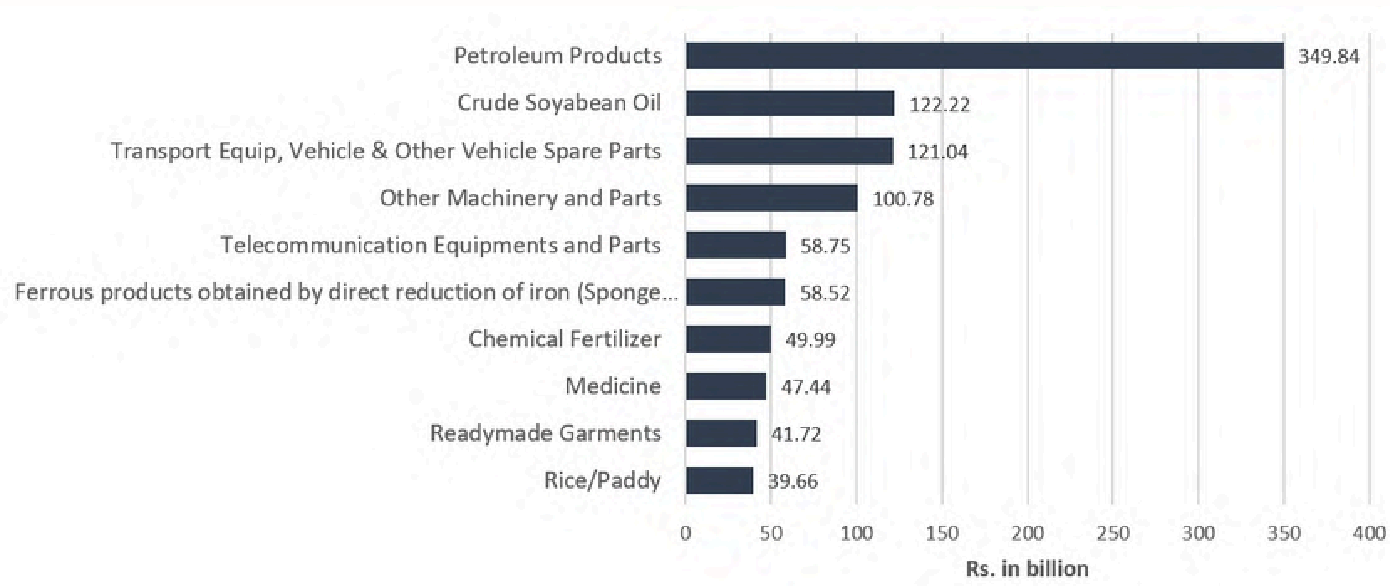
Amount in Billions (Rs.)

Top 10 Exports, 2082-83



Source: Department of Customs

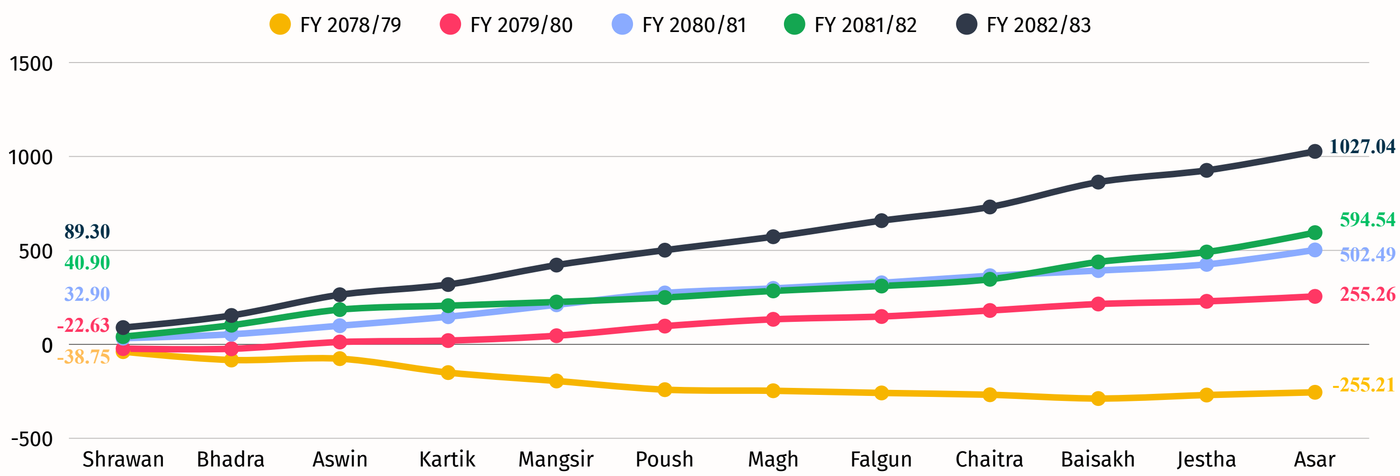
Top 10 Imports, 2082-83



Source: Department of Customs

Balance of Payment

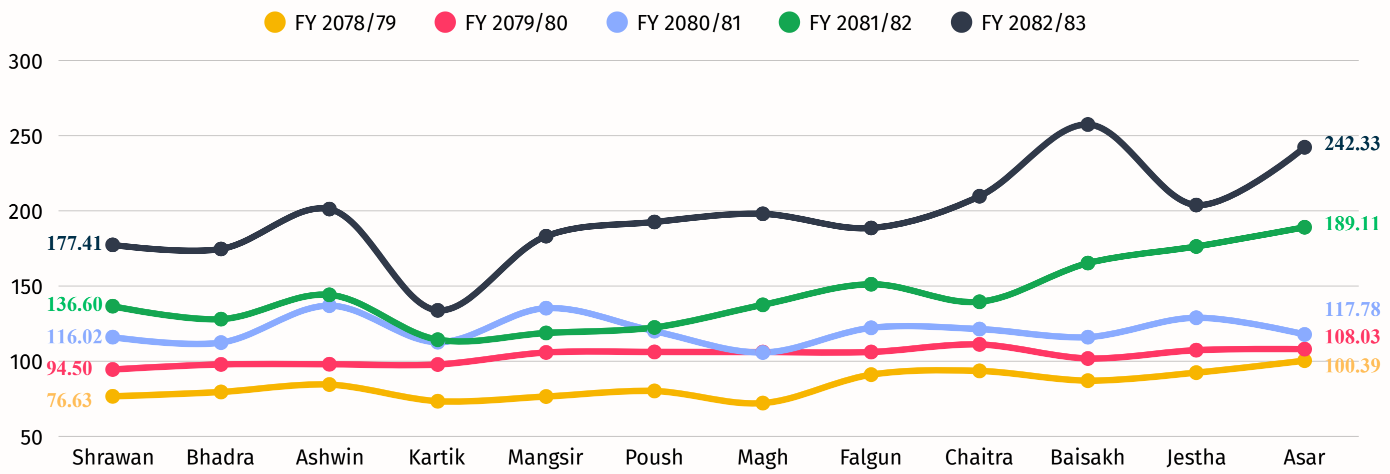
Amount in Billions (Rs.)



Source: NRB

Inward Remittance

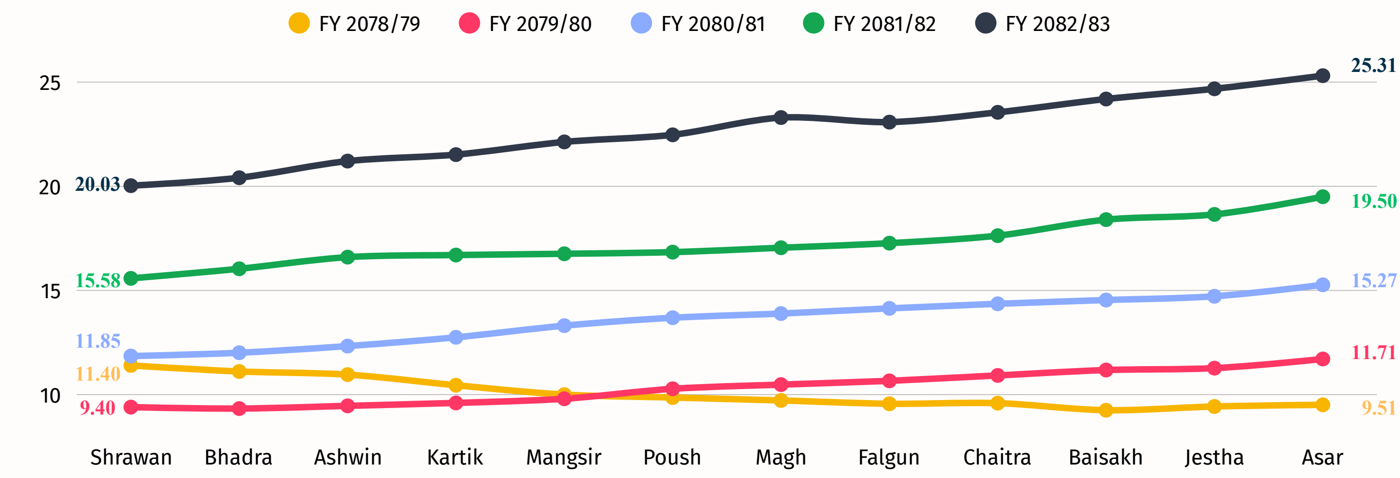
Amount in Billions (Rs.)



Source: NRB

Gross Foreign Exchange Reserves

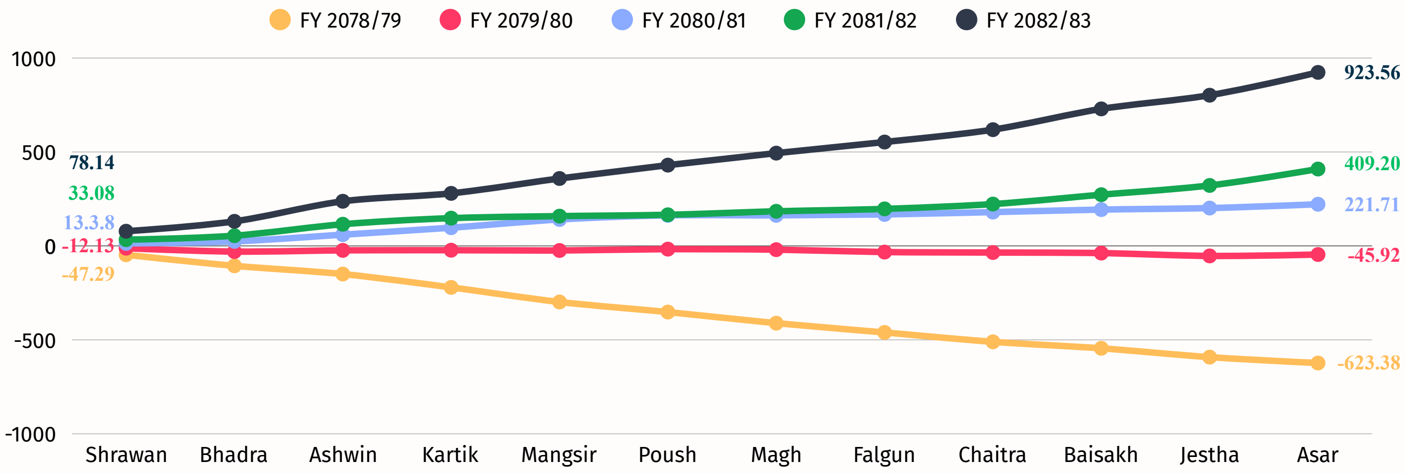
Amount in Billions (USD)



Source: NRB

Current Account Balance

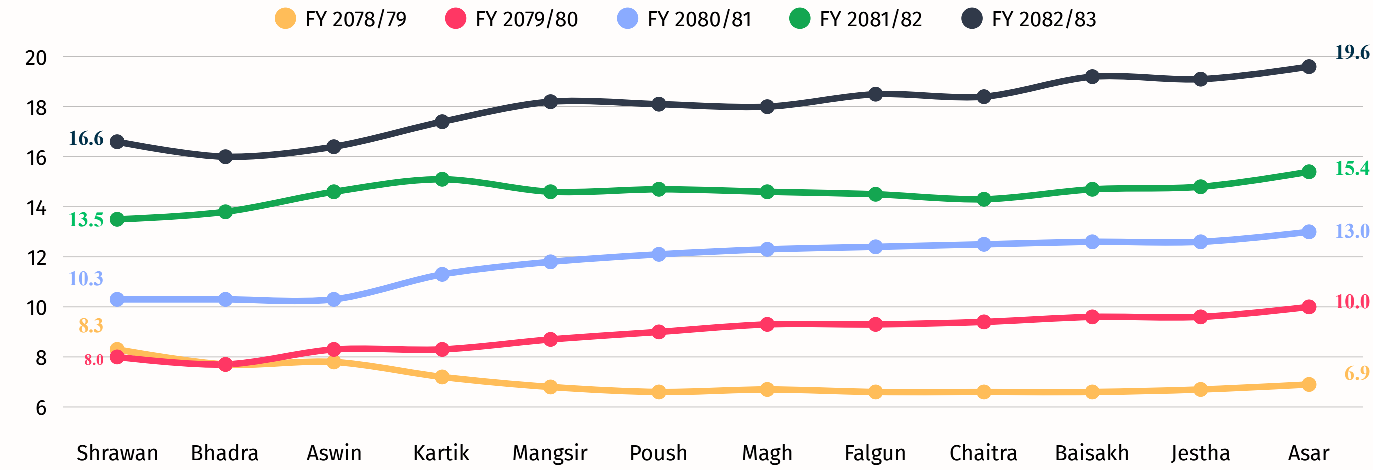
Amount in Billions (Rs.)



Source: NRB

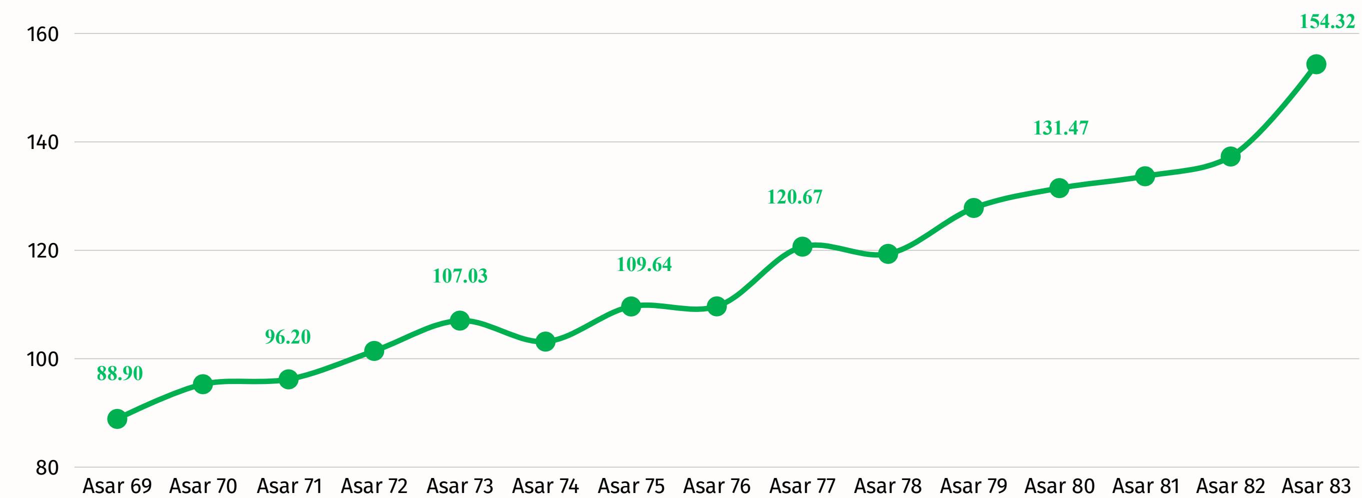
Import Capacity: Merchandise & Services

in Months



Source: NRB

Exchange Rate (USD/NPR)

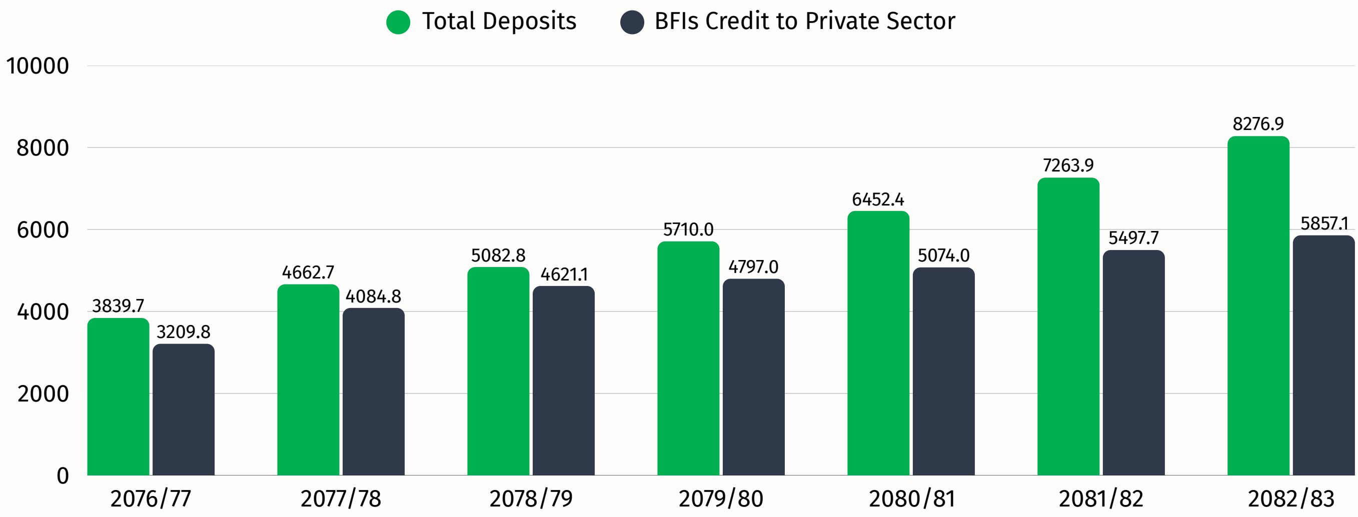


Source: NRB

BANKING SECTOR

Total Deposit and Credit of BFIs

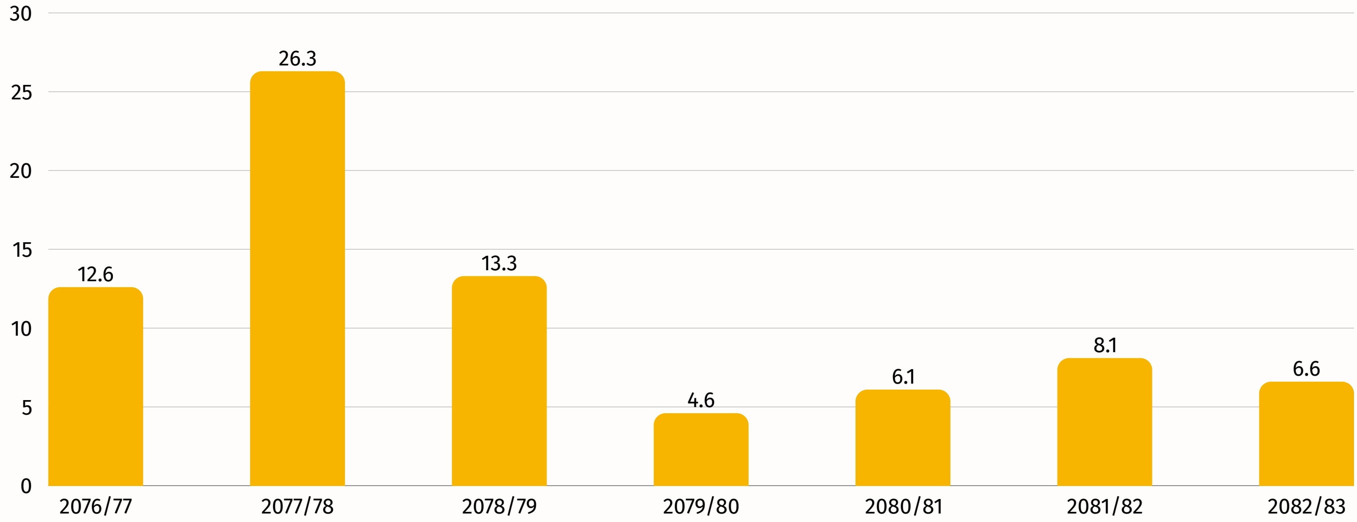
Amount in Billions (Rs.)



Source: NRB

Claims on Private Sector (y-o-y)

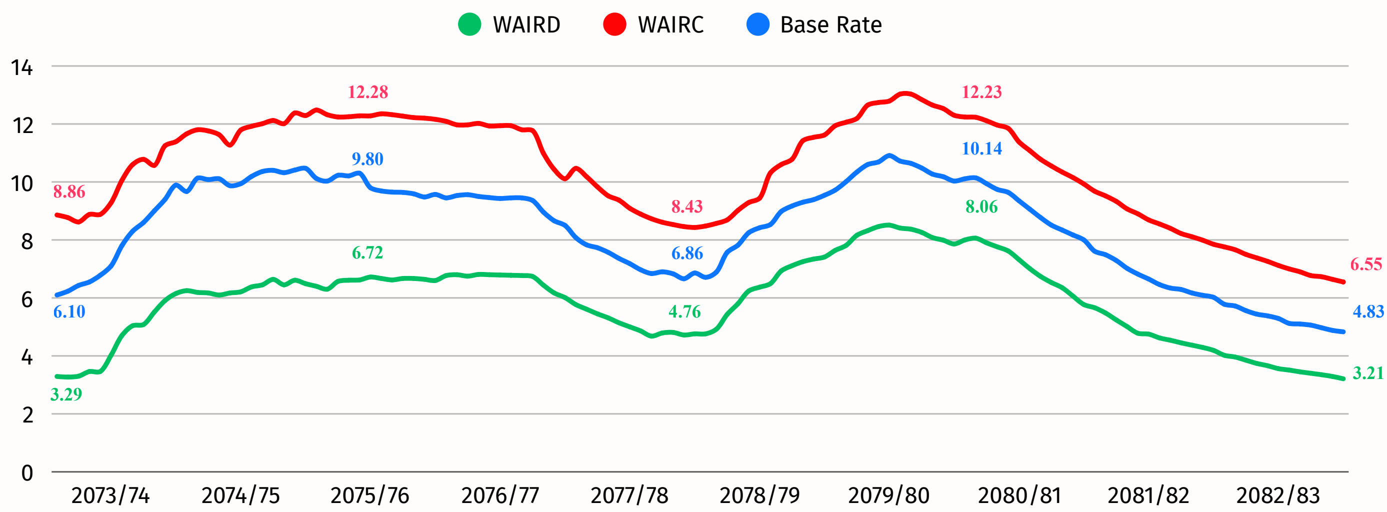
In percentages



Source: NRB

Base Rate and Weighted Interest Rates of Commercial Banks

In percentages



Source: NRB

Deposit & Lending of Commercial Banks

FY 2081/82

Amount in Billions (Rs.)

	Shrawan 1, 2081	Ashar 32, 2082	Growth	Growth (%)
Deposit	5755	6531	776	13.48%
Lending	4571	4975	404	8.83%

FY 2082/83

Amount in Billions (Rs.)

	Shrawan 1, 2082	Ashar 32, 2083	Growth	Growth (%)
Deposit	6531	7498	968	14.82%
Lending	4975	5290	316	6.35%

Source: Nepal Bankers' Association

Sector-wise Lending of Commercial Banks

Amounts in Billion (Rs.)

	Ashar 2082	Ashar 2083	CHANGES SINCE Ashar 2082	(%)CHANGES SINCE Ashar 2082
Agricultural and Forest Related	318.65	307.35	(11.30)	-3.55%
Fishery Related	14.58	14.13	(0.44)	-3.03%
Mining Related	11.35	11.69	0.34	2.96%
Agriculture, Forestry & Beverage Production Related	893.18	939.32	46.14	5.17%
Construction	204.01	238.33	34.33	16.83%
Electricity, Gas and Water	432.24	503.85	71.61	16.57%
Metal Products, Machinery & Electronic Equipment & Assemblage	70.22	71.30	1.08	1.54%
Transport, Communication and Public Utilities	72.59	76.73	4.14	5.71%
Wholesaler & Retailer	946.09	937.78	(8.31)	-0.88%
Finance, Insurance and Real Estate	367.86	387.56	19.71	5.36%
Tourism Services	220.20	237.07	16.87	7.66%
Other Services	200.20	205.45	5.17	2.58%
Consumption Loans	960.88	1147.60	186.72	19.43%
Local Government	1.19	1.19	(0.00)	-0.06%
Others	249.84	211.18	(38.66)	-15.47%
TOTAL	4963.15	5290.55	327.40	6.60%

Source: NRB

Product-wise Lending of Commercial Banks

Amounts in Billion (Rs.)

	Ashar 2082	Ashar 2083	CHANGES SINCE Ashar 2082	(%)CHANGES SINCE Ashar 2082
Term Loan	1816.13	1900.88	84.75	4.67%
Overdraft	86.62	95.85	9.24	10.66%
Cash Credit Loan	585.27	576.94	(8.33)	-1.42%
Trust Receipt Loan/Import Loan	125.19	165.56	40.37	32.25%
Demand & Other Working Capital Loan	803.00	854.10	51.10	6.36%
Residential Personal Home	332.05	368.98	36.93	11.12%
Real Estate Loan	230.94	214.58	(16.35)	-7.08%
Margin Nature Loan	116.81	143.15	26.34	22.55%
Hire Purchase Loan	113.08	128.93	15.85	14.01%
Deprived Sector Loan	256.78	262.51	5.73	2.23%
Bills Purchased	12.37	14.33	1.95	15.80%
Other Product	484.90	564.73	79.84	16.46%
TOTAL	**4963.15**	**5290.55**	**327.40**	**6.60%**

Source: NRB

Financial Access of Commercial Banks

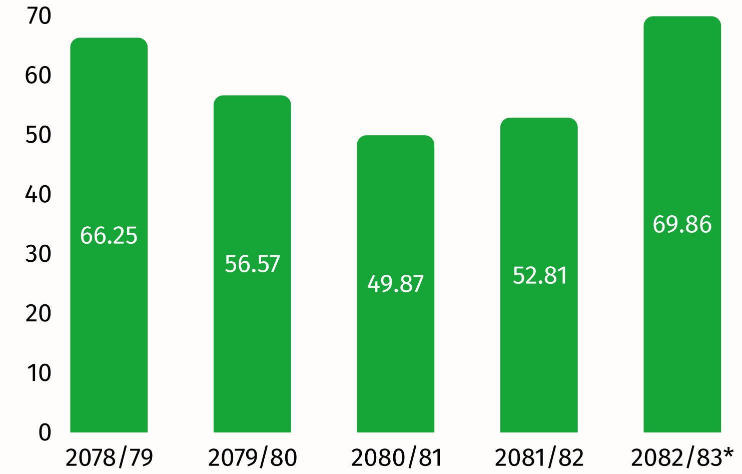
	ASHAR 2082	ASHAR 2083	CHANGES SINCE ASHAR 2082	(%)CHANGES SINCE ASHAR 2082
NO. OF BRANCHES	5,099	4,941	(158)	-3.01%
NO. OF DEPOSIT ACCOUNTS	51,380,289	54,449,539	3,069,250	5.97%
NO. OF LOAN ACCOUNTS	1,638,285	1,700,934	62,649	3.82%
NO. OF BRANCHLESS BANKING CENTERS	816	678	(138)	-16.91%
NO. OF MOBILE BANKING CUSTOMERS	23,787,529	25,750,601	1,963,072	8.25%
NO. OF INTERNET BANKING CUSTOMERS	1,601,513	1,859,304	257,791	16.09%
NO. OF ATMS	4,878	4,746	(132)	-2.71%
NO. OF DEBIT CARDS	12,373,593	12,244,640	(128,953)	-1.04%
NO. OF CREDIT CARDS	315,138	324,439	9,301	2.95%
NO. OF PREPAID CARDS	245,992	273,039	27,047	11.00%

Source: NRB

Financial Reports of Commercial Banks

Net Profit of Commercial Banks

Amount in Billions (Rs.)



Source: Nepal Bankers' Association

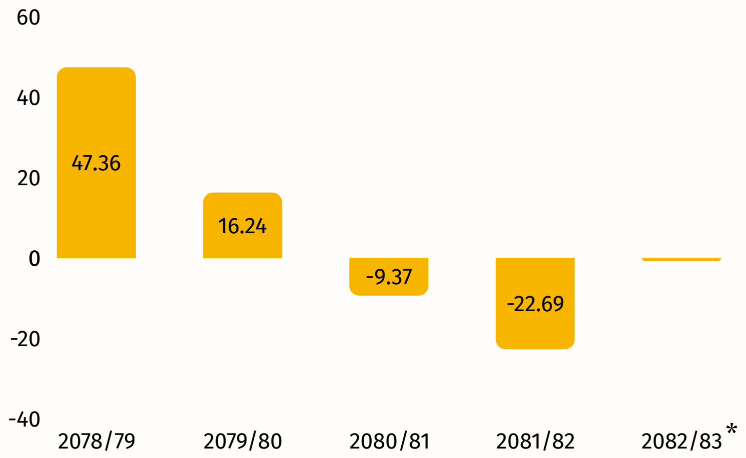
Net Profit

69.86* billion

* Unaudited Financial Report

Distributable Profit of Commercial Banks

Amount in Billions (Rs.)



Source: Nepal Bankers' Association

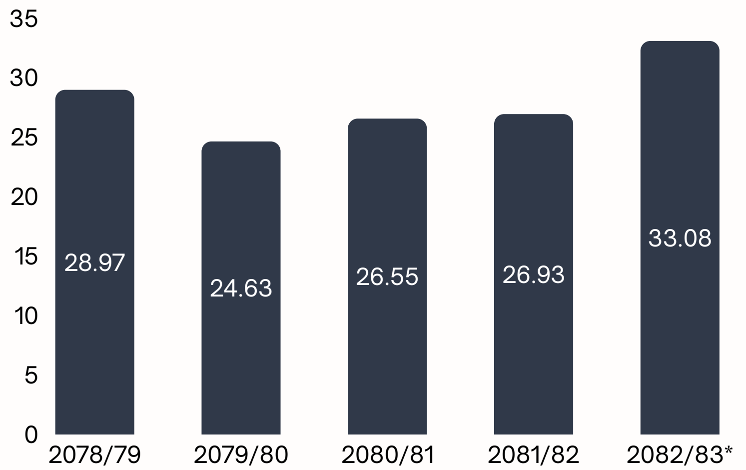
Distributable Profit

-0.78* billion

* Unaudited Financial Report

Income Tax Paid by Commercial Banks

Amount in Billions (Rs.)



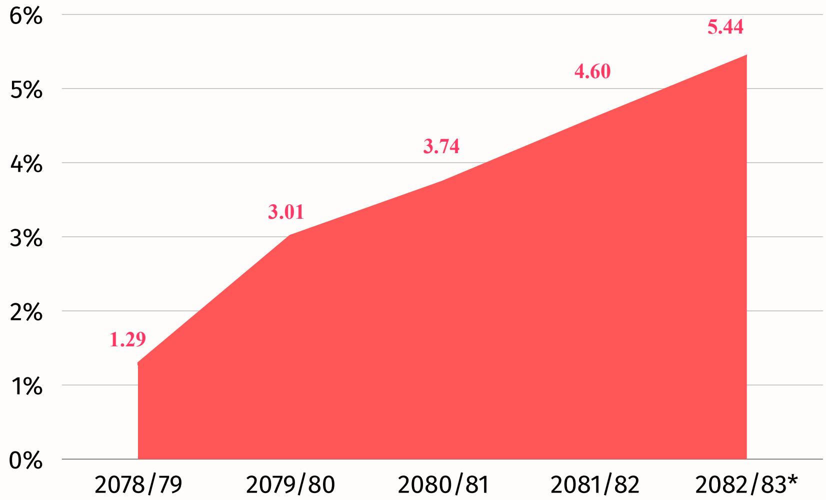
Source: Nepal Bankers' Association

Income Tax

33.08* billion

* Unaudited Financial Report

Avg. Non Performing Loans of Commercial Banks



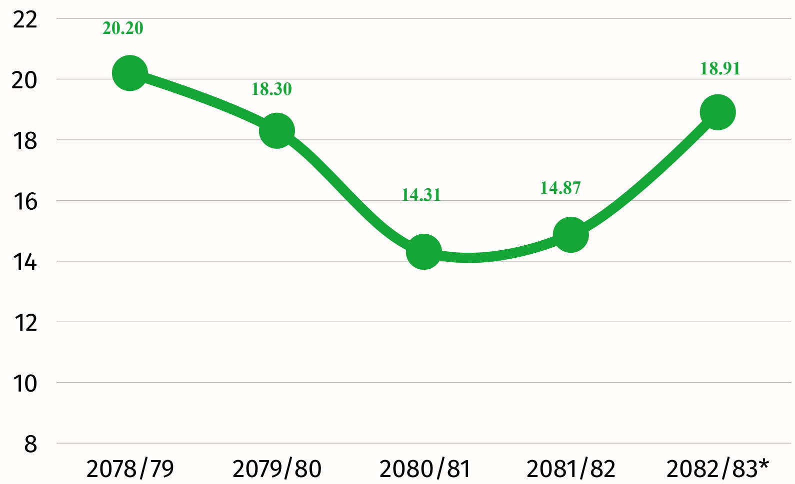
Source: Nepal Bankers' Association

Non Performing Loan

5.44%*

* Unaudited Financial Report

Avg. Earning Per Share of Commercial Banks



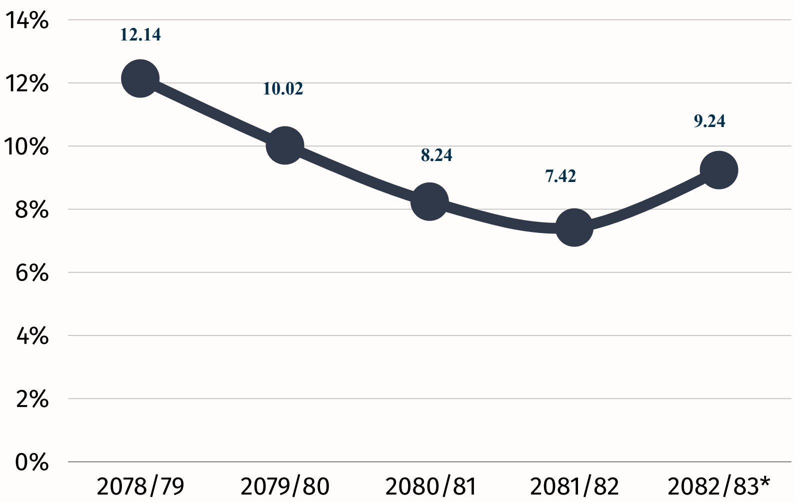
Source: Nepal Bankers' Association

Earning Per Share

18.91*

* Unaudited Financial Report

Avg ROE of Commercial Banks



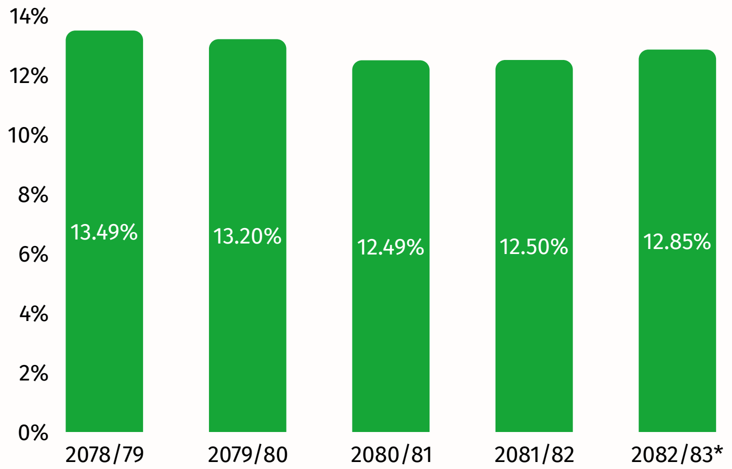
Source: Nepal Bankers' Association

Return on Equity

9.24%*

* Unaudited Financial Report

Avg Total Capital / RWA of Commercial Banks



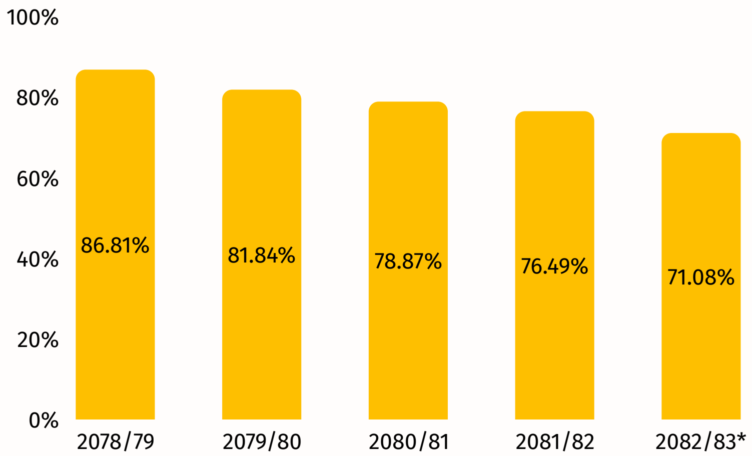
Source: Nepal Bankers' Association

Total Capital / RWA

12.85%*

* Unaudited Financial Report

Avg CD Ratio of Commercial Banks



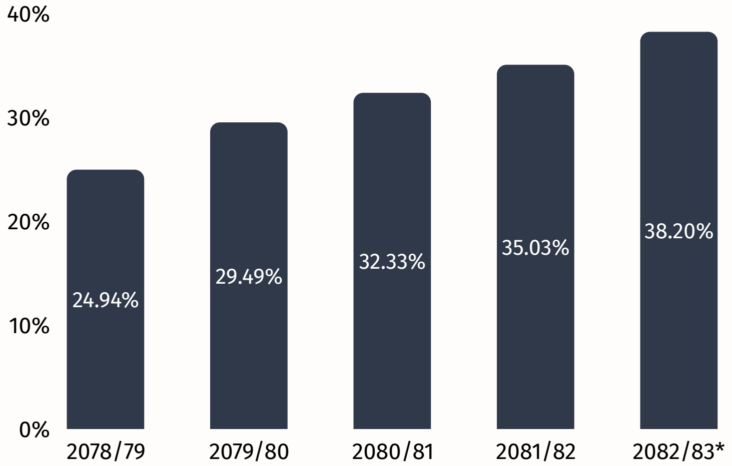
Source: Nepal Bankers' Association

CD Ratio

71.08%*

* Unaudited Financial Report

Avg Liquidity Ratio of Commercial Banks



Source: Nepal Bankers' Association

Liquidity Ratio

38.20%*

* Unaudited Financial Report

NBA ACTIVITIES

BAISAKH - ASHAR 2083

Training on Malpot Related Matters and Bhu-Sewa Integration

6 May and 8 May 2026 – Nepal Bankers' Association (NBA) successfully organized a training program on "Malpot Related Matters and Bhu-Sewa Integration" to enhance the capacity of banking professionals.

The training focused on providing an in-depth understanding with particular emphasis on Malpot-related issues and the implementation of Bhu-Sewa. The program highlighted the integration and operationalization of Bhu-Sewa, covering procedural, technical and practical aspects related to Bhu-Sewa implementation and operational challenges.

The program was attended by Credit Administration, Legal, Operational, Risk Management departments of the member banks.

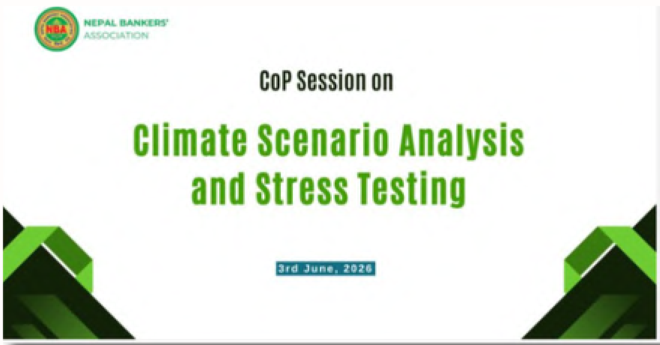
Virtual Session on Bhu-Sewa Integration

May 24, 2026 -Nepal Bankers' Association (NBA) organized a virtual session on "Bhu-Sewa Integration" targeting officials of member banks across all seven provinces.

The session was organized to further strengthen banks' understanding of the operational and technical aspects of Bhu-Sewa implementation. The program discussed on the Bhu-Sewa integration process, operational workflow, implementation challenges and practical aspects related to Bhu Sewa system.

The virtual session saw broad participation from key departments including Credit Administration, Legal, Operations, Risk, Branch Management, among others with participants joining from various provinces.

CoP Session on Climate Scenario Analysis and Stress Testing

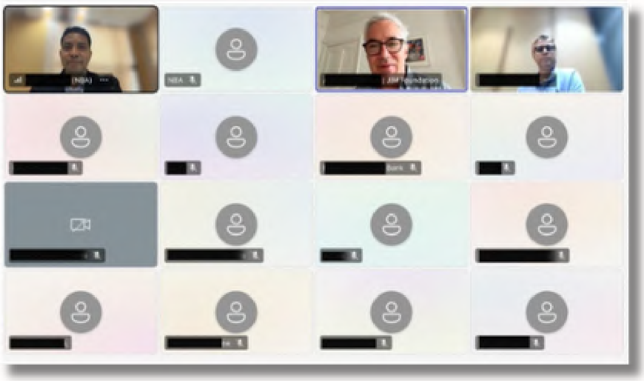


June 3, 2026 - Nepal Bankers Association (NBA), in collaboration with Invest for Impact Nepal (IIN), successfully conducted a session under its Community of Practice (CoP) initiative on sustainable finance, bringing together bankers from across the industry.

The session focused on "Climate Scenario Analysis and Stress Testing", as climate-related risks continue to impact economies and businesses worldwide. The program aimed to strengthen the capacity of bankers to understand how climate-related events may affect borrowers, sectors and financial portfolios, and how banks can better prepare for and manage such risks.

NBA ACTIVITIES

BAISAKH - ASHAR 2083



The session was led by Mr. Alex MacGillivray, Executive Director, Joint Impact Model, and Mr. Aniket Jalgaonkar, Founder, ClimateWyse, who shared their expertise and insights on the concepts, methodologies and practical applications of climate scenario analysis and stress testing. During the session, the experts highlighted global trends and regional developments while also providing valuable perspectives relevant to Nepal's banking industry.

The CoP on sustainable finance is part of NBA's ongoing efforts to support the banking sector in advancing sustainable finance practices and strengthening resilience to emerging environmental and climate-related risks.

Interaction Program on the Use of Mero Kitta System

June 15, 2026 - Nepal Bankers' Association (NBA) organized an interaction program on Mero Kitta to enhance the understanding of bank officials regarding the newly introduced system and its operational functionalities.

The program aimed to provide participants with a practical understanding of institutional registration process, user ID creation and other operational aspects of the system.The program was organized following the regulatory requirement for banks and financial institutions to register as institutional users in the Mero Kitta System for the payment of charges related to land-related services, including land maps, field books, plot register prints, etc. Participants were also provided with practical guidance on the documentation and information required for registration.

The session was delivered by the officials from Survey Department, Ministry of Land Management, Cooperatives and Poverty Alleviation, and was attended by the officials from IT and Credit Administration Departments of member banks.

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