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Nepal Rastra Bank Enters Its 65th Year

NRB committed to float policies to economy:
Governor Adhikari



Governor Mr. Maha Prasad Adhikari said that Nepal Rastra Bank is committed to encourage the expansion of economic activities through various policy measures to lean against the crisis in the economy due to the COVID-19 pandemic.

This was stated by Governor Adhikari while addressing on the occasion of the 65th anniversary of NRB. He informed that necessary arrangements would be made to provide concession on interest rate of the loans to be repaid in the fourth quarter of the

Fiscal Year 2076/77. He also mentioned that necessary arrangements will be made to facilitate the provision of working capital loan extended on the areas most affected by COVID-19.

Governor Adhikari expressed his commitment to amend the working procedure to facilitate the flow of refinancing in a smooth manner so as to revive the areas such as small and medium enterprises and tourism affected by COVID-19. He also informed that the existing refinancing fund of Rs. 60 billion will be increased as

per the need.

According to Governor Adhikari, NRB will take necessary initiative for facilitating the flow of credit from the banking sector. He said that necessary arrangements will be made for rescheduling/restructuring of loans disbursed in the areas most affected by COVID-19. The Governor has also informed that the repayment period of the loan will be extended during the lockdown period.

In his address, Governor Adhikari said, "In today's dire situation created by the pandemic caused



by the COVID-19, there is no shortage of investment fund in the financial system and the resources mobilized from the financial sector are essential for infrastructure, small and medium enterprises, agriculture, energy, tourism and other essential goods and services. Nepal Rastra Bank is committed to boost output and enhance employment through the monetary

measures".

Governor Adhikari also mentioned that NRB is committed to maintain macroeconomic stability by minimizing the impact of the COVID-19 pandemic on the country's tourism, industry, trade, business, foreign employment, financial sector and infrastructures development.

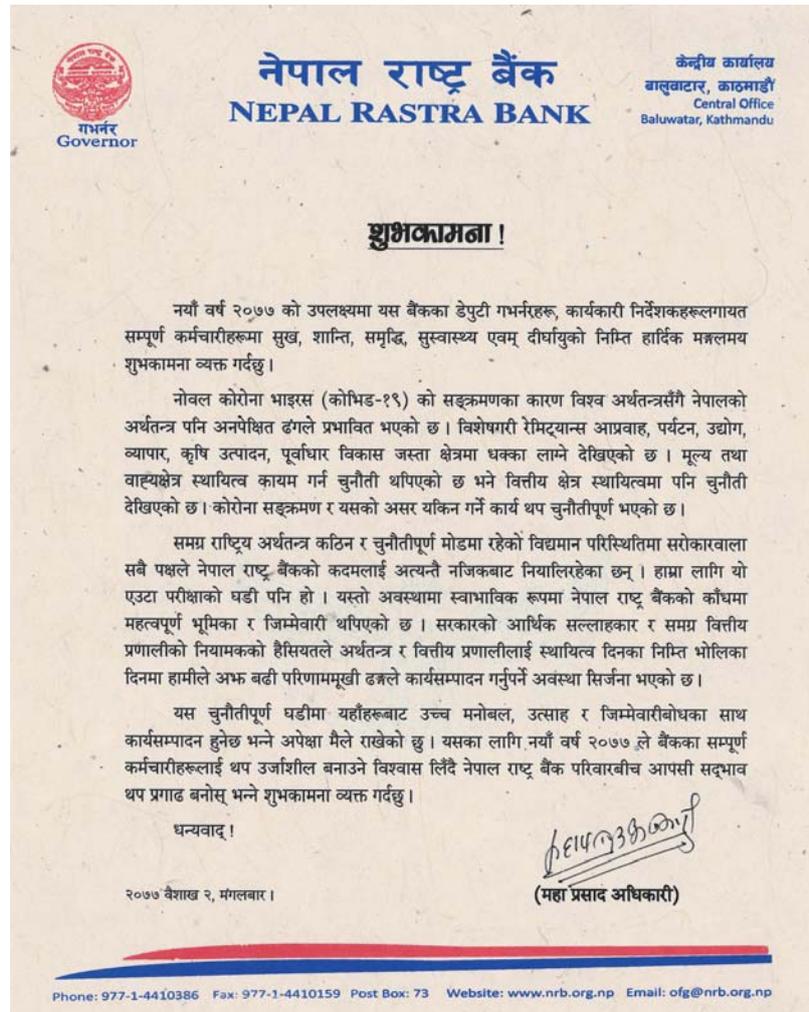
On the occasion of

NRB entering its 65th year he thanked to members of NRB Board of Directors, officials and employees of the central bank for their important role in achieving the objectives of the bank. Governor Adhikari also thanked the Government of Nepal, Banks and Financial Institutions, international development partners and the media for their support to NRB. ❖

Governor Adhikari Expressed New Year Wishes

Governor Maha Prasad Adhikari expressed his confidence that the new year 2077 BS will make the employees of Nepal Rastra Bank more energetic. Issuing a statement to the top management and employees of NRB on the occasion of the New Year, Governor Adhikari also expressed confidence that the mutual harmony among the NRB employees would be further deepened.

Stating that Nepal's economy has been unexpectedly affected due to the global outbreak of COVID-19, Governor Adhikari said that it has posed challenges on external sector and financial sector stability. Stating that the stakeholders are closely monitoring the steps taken by NRB, he further said in the message, "In such a situation, obviously, important role and responsibilities are added to



the bank. As the government's economic adviser and regulator of the overall financial system, we need to work more productively in the future to stabilize the economy and financial system." ❖

NRB Organized Pre-Budget Interaction



Nepal Rastra Bank (NRB) organized a pre-budget interaction program on May 8, 2020 to collect suggestions from stakeholders for formulating the budget and programs for the FY 2077/78. The interaction was organized by NRB's Research Department through a webinar in the presence of Governor Mr. Maha Prasad Adhikari.

On the occasion, the Spokesperson of NRB and Executive Director of the Research Department Dr. Gunakar Bhatta facilitated the program by highlighting the purpose of the interaction program. Governor Adhikari said that the NRB was focused on minimizing the negative impact of COVID-19 on the economy.

Mr. Bishma Raj Dhungana, Chairman of Security Board of Nepal; Prof. Dr. Kusum Shakya,

Central Department of Economics, TU; Mr. Shekhar Golchha, Senior Vice-president of Federation of Nepalese Chambers of Commerce and Industry; Mr. Satish Kumar More, President of Confederation of Nepalese Industries; Srijana Rana, President of Hotel Association of Nepal; Mr. Kamallesh Agrawal, Vice-president of Nepal Chamber of Commerce; Dr. Guna Chandra Bista, President of Nepal Poultry Federation; Mr. Hari Bahadur Karki, President of Nepal Exports Council; Bhuwan Kumar Dahal, President of Nepal Bankers' Association; Mr. Umesh Prasad Singh, President of Federation of Nepalese Cottage and Small Industries and representatives from other stakeholder agencies were participated in the webinar. They expressed

their views on issues related to their respective sector and submitted the necessary policy suggestions to shield the economy from the impact of COVID-19.

Section 69 (4) of the Nepal Rastra Bank Act, 2002 provides that the NRB shall submit pre-budget review report to the Government of Nepal on economic and financial matters every year. In this regards, the interaction was organized by NRB to collect suggestions from stakeholders to submit pre-budget review report to the government for formulating the budget and program for the Fiscal Year 2077/78. Deputy Governors Mr. Chinta Mani Siwakoti and Mr. Shiba Raj Shrestha along with departmental heads of various departments and offices were present in the interaction. ❖



Financial Article Competition Concludes

A financial essay competition has been held among the employees of Nepal Rastra Bank on the occasion of its 65th anniversary.

Mr. Abhiyan Upadhyaya, Assistant Director of Bank Supervision Department, has bagged the first position in the competition for an article titled 'Opportunities and Prospects of Cashless Nepal: A Perspective'. Similarly, Mr.

Chopkanta Subedi, Assistant Director of Research Department and Mr. Somraj Nepali, Assistant Director of General Services Department secured second and third position respectively. Their articles were entitled 'Return on assets and capital of commercial banks: International Environment and Nepal' and 'Shadow Banking and Nepal Rastra Bank: A Policy Review' respectively.

For the first, second and third articles were entitled to be awarded by cash prize of Rs.10,000, Rs. 8,000 and Rs. 6,000 respectively and certificates. Twelve employees of NRB had participated in the competition. The program was conducted by NRB's Office of the Governor and selection was based on evaluation from blind review. ❖

Study Task Force on Impact of COVID-19 Pandemic in Financial Sector

Nepal Rastra Bank formed a task force to conduct a study on the impact of COVID-19 on the financial sector.

The task force is established under the coordination of Mr. Dev Kumar Dhakal, Executive Director of Banks and Financial Institutions Regulation Department, as per the decision of the Management Committee of NRB on May 3, 2020. Members of the task force include Director of Research Department, a representative of The Institute of Chartered Accountants of Nepal, a representative of the Accounting Standards Board, Nepal and a director of Bank and Financial Institutions Regulation Department, as member-secretary.

The task force has been instructed to submit a report within 15 days including policy suggestions on moratorium period, loan classification and provisioning, loan restructuring and rescheduling, interest capitalization, capital adequacy and other issues. ❖

Promotion to Executive Director

Three senior directors of Nepal Rastra Bank were promoted to the post of Executive Director. According to the notice issued by the Human Resource Management Department on April 23, 2020, Mr. Ramu Poudel of Finance Company Supervision Department, Mr. Vishrut Thapa of Currency Management Department and Mr. Ram Bahadur Manandhar of Corporate Planning Department have been promoted to the post of Executive Director. ❖

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