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Retail MFIs sustain their performance

Based on Nepal Rastra Bank data as of 30 Asoj 2081 (16 October 2024), the microfinance sector seems performing stably. Compared to the status on 31 Asar 2081, total members have increased nominally from 6.00 million to 6.05 million and the number of borrowers (loan clients) reached to 2.67 million.

MICROFINANCE	Indicator	2081	2081	Variance	%
		Asar 31	Asoj 30		
		(15 Jul 2024)	(16 Oct 2024)		
	MFI	52	52	-	-
	Staff (in thousand)	21.70	21.60	(0.10)	(0.46)
	Member (in million)	6.00	6.05	0.05	0.83
	Borrower (in million)	2.66	2.67	0.01	0.38

Indicator	2081	2081	Variance	%	INDICATORS
	Asar 31	Asoj 30			
		(15 Jul 2024)	(16 Oct 2024)		
		[Amount in billion NPR]			
Capital & Reserves	63.01	69.79	6.78	10.76	
Borrowings	230.75	235.68	4.93	2.14	
Deposits	176.66	179.38	2.72	1.54	
Loan & Advances	455.84	458.55	2.71	0.59	

Key financial indicators (above) suggest a slight growth in MFI business. The loan and advances increased by NPR 2.71 billion (0.59%), deposits by NPR 2.72 billion (1.54%) and borrowings by NPR 4.93 billion (2.14%). The capital and reserves increased remarkably by NPR 6.78 billion (10.76%) reaching to NPR 69.79 billion in the first quarter of this fiscal year compared to the previous fiscal year closing figures.

Indicator	2081	2081	Variance	%	
	Asar 31	Asoj 30			
		(15 Jul 2024)	(16 Oct 2024)		
		[Amount in billion NPR]			
Capital & Reserves	51.94	57.48	5.54	10.67	
Borrowings	186.83	195.35	8.52	4.56	
Deposits	173.82	176.70	2.88	1.66	
Loan & Advances	401.98	410.32	8.34	2.07	

Key financial indicators only for 49 retail MFIs, however suggest remarkable growth in their business. Their loan and advances increased by NPR 8.34 billion (2.07%) with an increase in borrowings by NPR 8.52 billion (4.56%). These indicators also suggest that the three wholesale MFIs, in total, have scaled-down their businesses in the first quarter of FY 2081/82.

Policy Advocacy

NMBA 18th Annual General Meeting

On 30th December 2024, NMBA successfully convened its' 18th Annual General Meeting in Hotel Pokhara Grande. The Deputy Governor of Nepal Rastra Bank, Mr. Bam Bahadur Mishra graced the inaugural session of the AGM as the Chief Guest.

Mrs. Bina Dhakal Poudel, Director from Nepal Rastra Bank, Pokhara Office also graced the event as the Distinguished Guest.



The AGM presided over by the NMBA President, Mr. Ram Bahadur Yadav was participated in by most of the member MFIs.

The Vice-President, Mr. Ram Hari Dahal delivered the welcome address and Secretary General, Mr. Sanjay Kumar Mandal conducted the proceedings.

Extending his greetings and best wishes for the AGM, the Chief Guest, Mr. Bam Bahadur Mishra stated that NRB is ready to discuss further on various issues flagged by the MFIs. Mr. Mishra also informed that NRB has been implementing the suggestions given by various committees in resolving the microfinance issues and suggested that the MFI staff should also behave properly with their member/clients for promotion of the microfinance sector.

Mrs. Bina Dhakal Poudel, Director NRB, Pokhara Office; NMBA Advisors, Mr. Numa Nath Poudel and Dr. Gopal Dahit; and NMBA Past President, Mr. Basanta Raj Lamsal also extended their best wishes.

The closed session of the AGM passed Annual Report 2080/81, Audit Report 2080/81, Annual Program & Budget 2081/82; appointed auditors for 2081/82; and approved Statutes amendment proposal.



Capacity Building

MFI ~ CEOs' Conference



From 28th to 30th December 2024, senior officials (ED/CEO/Acting CEO) from 30 MFIs gathered in Hotel Pokhara Grande for a mutual learning event organized by NMBA.

The CEO Conference was divided broadly into three parts - socializing/networking event, extended session on positive attitude and stress management, and open discussion on outstanding issues, namely loan restructuring, service charge, code of conduct (grievances handling), dealing with willful defaulters and so on.



The President, Mr. Ram Bahadur Yadav presented on NMBA Achievements that included delegation to high-level offices, engagement with regulatory body, solidarity with associations, support to study teams, multi-sector partnership, targeted information dissemination, capacity building initiatives and strengthened secretariat operation.

Yogi Vikasananda and his team engaged the participants in an extended session on positive attitude and stress management.

The cost of the Conference, in part was sponsored by three institutions and balance was contributed by the MFIs as participation fee. The event sponsors (in alphabetical order) were Crest Micro Life Insurance Co Ltd, Guardian Micro Life Insurance Co Ltd, and Liberty Micro Life Insurance Co Ltd.



Knowledge Management

Balancing Mission and Sustainability in Microfinance

On 13th November 2024, NMBA collaborated with Microfinance Society of Nepal (MiSoN) in organizing a workshop on Balancing Mission and Sustainability in Microfinance in Kathmandu.

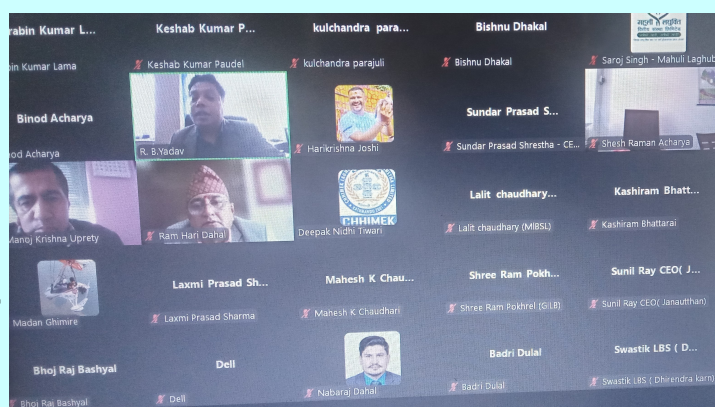
In the event presided over by the President of MiSoN, Mr. Bishnu Prasad Pathak and graced by the ED of Banks & Financial Institutions Regulation Department of NRB, Mr. Guru Prasad Poudel as the Chief Guest, NMBA President, Mr. Ram Bahadur Yadav presented a paper on the workshop theme.

Following the paper presentation, a panel discussion was moderated by Senior Journalist, Mr. Madan Lamsal. The panel was comprised of microfinance expert Drs. Nara Hari Dhakal and Bharat Singh Thapa and senior microfinance practitioner, Mr. Ram Chandra Joshi.



Virtual Meeting of MFI-CEOs

On afternoon of 5th December 2024, NMBA convened a virtual meeting of MFI-CEOs. The event joined by 30+ CEOs/senior officials shared and discussed on issues related to loan restructuring, implementation of Expected Credit Loss provisions, service charge and preferred dates for NMBA AGM and CEO workshop. Moreover, timely processing of the MFI files for AGM clearance from NRB was suggested.



Recent NMBA Participation



NMBA took part and shared its' views in several events recently including:

Seminar and Round-Table Discussion on Climate Risks and Opportunities in Nepal's Banking Sector (IFC - 20th November 2024),

3rd Nepal BFSI Summit 2024 (BFIN - 18th December),

Policy Workshop on Financial Literacy & Financial Inclusion (CDD - 20th December 2024), and

Nepal CSR Meet (BIFCAP - 27th December 2024).

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