

NCHL - CONNECT

QUARTERLY NEWSLETTER



Executive Message

Nepal Clearing House Limited (NCHL) takes pride in its ongoing journey of building a secure, interoperable, and trusted national payment infrastructure for Nepal. Through continuous collaboration, innovation, and reliability, NCHL has played a pivotal role in advancing digital payments and strengthening the country's financial ecosystem.

We are pleased to introduce the first issue of the NCHL CONNECT as a new platform to engage with our stakeholders. Through this publication, we aim to share key updates, industry insights, and emerging developments shaping the future of payments in Nepal. We thank all our stakeholders for their continued trust and partnership, and we look forward to working together towards a resilient, inclusive, and future-ready digital payments landscape for Nepal.

**-Neelesh Man Singh Pradhan
CEO, NCHL**

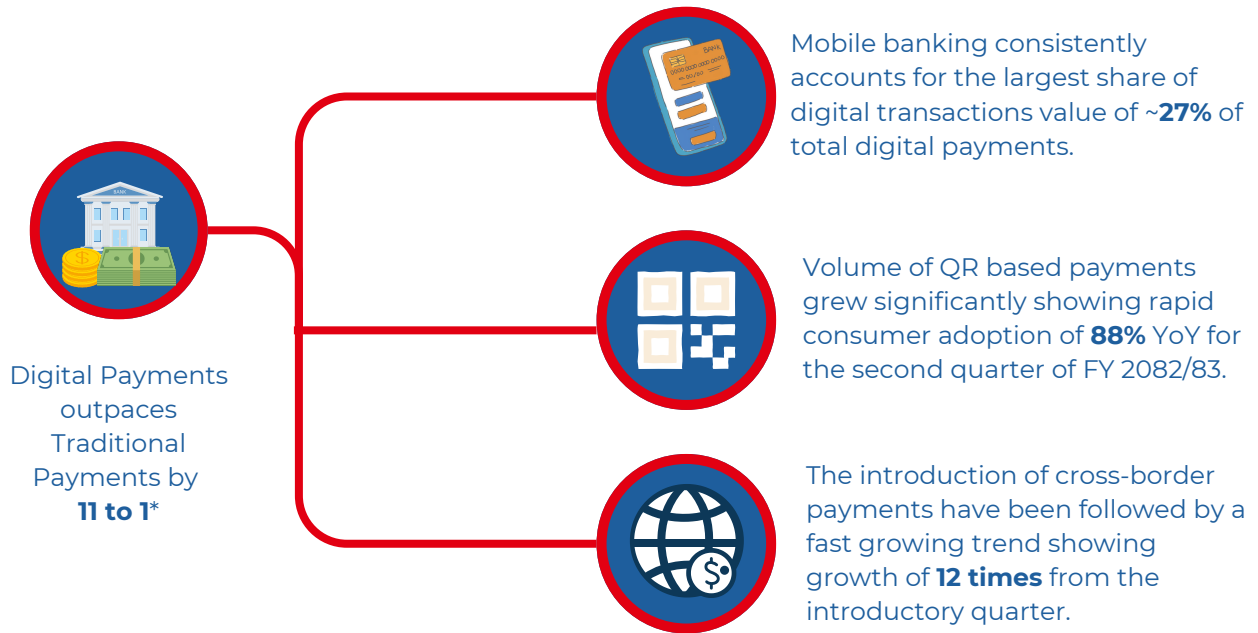
Digital Payment Landscape of Nepal

Nepal's payment ecosystem is rapidly evolving, driven by digital adoption across banking and commerce. Mobile banking and QR-based payments are seeing explosive growth, while traditional cash and cheque-based methods continue to decline. Mobile banking alone grew from 134.6M to 190.1M transactions (a 41% increase), maintaining 26-33% market share, highlighting a clear shift toward cashless transactions. Faster Payment Systems, QR payments, and cross-border QR payments further showcase the potential for innovation in the sector.

Regulatory Boost for Digital Payments (FY 82/83):

- Interest Rate Adjustments – Lowered bank rate (6%) and policy rates (4.5%) improve liquidity, making digital payment adoption easier for businesses and individuals.
- Credit & Lending Flexibility – Higher loan limits, increase purchasing power, encouraging more transactions through digital channels.
- Digital Banking & Fintech – Introduction of Neo Banks, a centralized KYC system, and a fintech regulatory sandbox fosters innovation in mobile banking and QR-based payments.
- Microfinance Reforms – Higher collateral-based lending limits and stricter monitoring of banks strengthen the formal financial ecosystem, supporting more secure digital transactions.

QUARTERLY PAYMENTS SUMMARY



*Traditional payments include cheques and card related transaction, all other transactions are considered digital payments. RTGS transactions are not included.

NCHL QUARTERLY STATISTICS

- NCHL ECC**
 Transaction Volume: 3.38 Million
 Transaction Value: NPR 1.8 Trillion
- NCHL IPS**
 Transaction Volume: 9.36 Million (25% ↑)
 Transaction Value: NPR 727 Billion
- NCHL RPS**
 Transaction Volume: 31.6 Million
 Transaction Value: NPR 2 Trillion
- NCHL EFT**
 Transaction Volume: 10 Million
 Transaction Value: NPR 77 Billion (-12% ↓)
- NPI**
 Transaction Volume: 30 Million
 Transaction Value: NPR 1.6 Trillion
- CORPORATEPAY**
 Transaction Volume: 2.16 Million
 Transaction Value: NPR 396 Billion (8% ↑)
- NEPALPAY QR**
 Transaction Volume: 7.49 Million
 Transaction Value: NPR 57.49 Billion
- connectRTGS**
 Transaction Volume: 74 Thousand
 Transaction Value: NPR 1.9 Trillion (-13% ↓)

NCHL Powering Digital Government Payments

Historically, government transactions in Nepal have been heavily reliant on manual processes, cash handling, and paper-based documentation. With the rise in mobile and internet penetration, digital payment systems are reshaping how government services are delivered, improving efficiency, transparency, and accessibility. GoN has taken notable steps towards advancing digital payments, guided by initiatives such as the Digital Nepal Framework (2019) and the RMIS directives issued by FCGO, the government has enabled electronic collection and disbursement of funds through platforms including connectIPS, NEPALPAY QR, CORPORATEPAY, mobile and internet banking, cards, and digital wallets. These channels are now widely used for tax and revenue payments, utilities, license renewals, traffic fines, immigration services, and other government transactions.

At the center of this transformation is Nepal Clearing House Ltd. (NCHL), which serves as the backbone of government payment digitization. NCHL has integrated its payment systems across all 753 local-level, Govt. RMIS for collections and disbursement and facilitated connectIPS for e-visa payments via international card. In the last fiscal year, nearly 99% of government expenditures were disbursed digitally through NCHL systems, while around 30% of government revenues were collected via NCHL-enabled platforms. Furthermore, from FY 2082/83 Ministry of Finance has mandated that all public sector payments be made through digital systems. These digital payment initiatives are driving Nepal toward a transparent, efficient, and digitally empowered public finance ecosystem, laying the foundation for a modern, citizen-friendly government.

KEY EVENTS

NCHL Celebrates 17 years



Nepal Clearing House Ltd. (NCHL) marked 17 years of establishment with a special program attended by regulators, member institutions, and key stakeholders. Over the years, NCHL has developed and expanded critical national payment systems such as NCHL-ECC, IPS, connectIPS, CORPORATEPAY, National Payment Switch and others. The occasion also recognized long-serving employees and partner institutions for their contributions to advancing digital payments in Nepal.

HRM Award



Nepal Clearing House Limited (NCHL) is proud to announce that it has been honored with the **HRM Nepal Award for Corporate Excellence 2025** under the GIG Category. This prestigious recognition reflects NCHL's strong commitment to fostering a progressive workplace culture, promoting innovation, and maintaining excellence in human resource management. We would like to extend our sincere gratitude to HRM Nepal for this recognition and to our dedicated team whose hard work and commitment have made this achievement possible.